WORLD BANK NEWS

Volume XIII, No. 31 August 11, 1994

PUBLICATIONS

Sharp Decline In Population Growth Possible In Poor Countries, Reports Show

Dramatic new studies in Kenya and Bangladesh provide powerful additional evidence that population programs can succeed in reducing fertility sharply even in very poor countries.

The findings are significant because they question theories that families in poor countries are less likely to limit tightly the number of children they have.

For example, the annual per capita income in Kenya is $320 a year and in Bangladesh it is $210, making them two of the world's poorest nations. Yet Bangladesh's fertility rates have fallen from seven births per woman in 1975 to about 4.2 in the early 1990s. The experience has been similar in Kenya, where fertility rates have decreased from 8.1 births per woman in 1978 to 5.4 in 1993.

One of the most remarkable findings from the research is that Kenya's fertility rate fell by 20 percent between 1989 and 1993, from 6.7 births per woman. This is one of the most precipitous declines in fertility ever measured. In addition, the evidence from Bangladesh points to a fertility fall, which is irreversible as well as steep.

One report is *The Determinants of Reproductive Change in Bangladesh: Success in a Challenging Environment*, sponsored by the World Bank with the support and participation of the Population Council. The other is *Kenya Demographic and Health Survey 1993*, conducted by Kenya's National Council for Population and Development and Central Bureau of Statistics with help from Macro International, an American research firm.

The reports agree that dramatic reductions in fertility are possible if three main conditions are met: strong and consistent support for family planning, which meets the basic reproductive needs of women and their families; improvements in children's health, which increase their chances of survival; and long-term investments in education or small-scale development, which raise women's status.

World Bank/Kevin Bubriski

Educating women succeeds in reducing fertility.

Released on the eve of the United Nations International Conference on Population and Development (in Cairo, Egypt, September 5-13), the reports indicate that population pressures can be contained. Since 1950, global population has doubled to 5.6 billion, and it is not expected to stabilize until the 22nd century when the world could be home to 12 billion people. Most of the 90 to 100 million people born each year are in developing countries, adding to social, economic and environmental strains.

Tom Merrick, the Bank's senior population advisor, said: "The speed of change we've seen in Bangladesh and Kenya sends a message of hope to other developing countries. Progress on the population

See POPULATION, *page 2*

Tunisia, Trinidad water projects. 3

Albania tax and financial reforms. 4

Press advisory–Annual Meetings. 6

Development agenda, page 5

Lending roundup, page 6

Development conference, page 6

READEX

Demand For Family Planning Continues To Rise

POPULATION, *from page 1*

front should be possible in even the poorest countries if family planning programs respond to people's reproductive health needs and if population policies address a broad range of human development objectives."

In Bangladesh and Kenya the government has been committed, with international assistance, to cutting population growth. "I am extremely pleased to see that our commitment has paid off," said Khaleda Zia, Bangladesh's prime minister.

M. Ignacio

Tom Merrick

While long term trends such as the decline in mortality and pressure on land may have influenced decisions about family size, fertility falls in both countries are closely linked to rapid increases in contraceptive use, promoted by the government, the reports confirm.

Since 1969, contraceptive use in Bangladesh has gone up from 3 percent of women to about 45 percent. Today about a third of Kenyan women use contraception, compared with a mere 7 percent in 1978. Although contraceptive use has recently risen slowly in Kenya, the study shows that modern methods were employed by 83 percent of contraceptive users in 1993, against about two-thirds in 1989.

"We have made progress in the right direction. Fertility in Kenya has declined over the last ten years," said George Saitoti, Kenya's vice president and minister for planning and national development.

Birthrates and contraceptive use are also closely linked to education for women. The Kenya research found, for example, that only 15 percent of married women without formal education use contraception, while 45 percent of those with at least some secondary education use contraceptives.

Despite the improvements, however, there is still strong latent demand for family planning.

Stated desirable family size has fallen in Bangladesh, and in Kenya half of all women said they already had as many children as they wanted. An increasing number of men say they prefer smaller families too.

The reports suggest that for family planning services to work best they should offer frequent contact between outreach workers and clients, a high quality of service, and clear lines of authority, decentralized decision-making, and adequate pay for service providers.

But these programs are costly and governments may not be able to maintain the present subsidies. Merrick said. "The message for donors is also clear. We must be prepared to increase our investments in people by mobilizing resources and providing sustained support for population and social development at levels commensurate with those available for the well-funded programs in Bangladesh and Kenya."

He warned: "This is very good news that a decline is underway, but it's still nothing to be complacent about."

World Bank investment in the social sectors—education, health, nutrition and family planning—has grown about fivefold since the early 1980s to about 16 percent of lending. By the end of fiscal 1993 there were more than 60 population projects in 42 countries, totalling more than $1 billion, under Bank supervision. □

Embassy of India

Good nutrition feeds growth.

LENDING

Tunisia, Trinidad & Tobago Launch Water And Sanitation Projects

In the last ten years, Tunisia has endured three droughts. The lack of rain in 1988 reduced agricultural output by 24 percent, and, a year later, a sharp downturn in tourism—along with continuing drought—forced this North African country to import a large amount of food for its 8.3 million population.

The Government of Tunisia knows the country is largely captive to the weather. To date, the World Bank has provided assistance for seven urban water supply projects, three sewerage projects and five irrigation projects. The latest loan to Tunisia, $58 million for a water supply and sewerage project, was approved July 28. "This has a lot of firsts," says Mohammed Benouahi, the Bank's task manager for the project. "It's the first integrated water and sanitation project in Tunisia. For the first time, we're working at the same time on both urban and rural. We're tackling the issue of cost recovery and pricing efficiency. Also, for the first time, we're seeking private participation in this sector."

The inherent problems of carrying water are not new. A Roman aquaduct and a modern canal in Tunisia: transporting water over two millenia.

The project has four main components: institutional development, to include staff training, studies, technical assistance, and purchase of equipment; rehabilitation and expansion of the water supply systems in Greater Tunis; construction of sewage plants in four cities; and provision of piped water to some 200,000 people in 320 villages.

"We estimate that one-third of the rural population has no water," says Benouahi. "There's a real shortage which will reach crisis proportion by 2010. So we also plan to address the public at large with a public awareness campaign on better use of water and sanitation services. We'll involve radio, television and newspapers. We also want to increase the reuse of treated sewage for irrigation and tourism from 15 to 25 percent between now and the year 2000."

In the Caribbean island republic of Trinidad and Tobago, the water problems are quite different. Operating revenues cannot meet the high costs of staffing, operation and maintenance, in spite of recent measures taken by the government. The Water and Sewerage Authority (WASA) is overstaffed with 18 employees per 1000 customer, two to three times the ratio found in well-run water utilities. Incentives are low and customer needs aren't met. Additionally, the water supply and distribution system there is in disrepair and as much as 50 percent of the water used is unaccounted for.

"But there's nothing really very amazing about that; it's typical of many developing countries," says Ramaswami Venkateswaran of the Bank's Infrastructure Operations Division for Latin America and the Caribbean. "Water is lost in leakage, illegal connections, fraud, and general inefficiency. Basically, in Trinidad and Tobago, nearly 70 percent of the people who are connected don't get water twenty-four hours a day."

A $25 million loan approved by the Bank August 2 will help the Government put in place a three-phased strategy, which includes a short-term stabilization program to prevent the collapse of WASA as it is privatized, and a reorientation of the utility towards private sector management. The largest part of the loan will support a rapid reorganization of the water sector and introduce private operators to provide water supply services. A rehabilitation program will deal with WASA's most pressing technical problems, while medium-term investments will pay for high priority drainage and flood control work.

Rehabilitating WASA will require an environmental audit of the utility's facilities, as will the development of the drainage and flood control program.

"What this represents is an attempt to stem a very fast deteriorating situation," says Venkateswaran, the project's task manager. "The project is the culmination of a series of crisis. Now the government is willing to accept that the private sector provide public services. It's very much a move in the right direction." □

Albania Plans Tax And Financial Reforms With Backing From Bank Loans

Albania, a small nation in Eastern Europe with a burgeoning economy and fast growing population has been keeping the World Bank busy.

The former communist country has received 11 credits from the International Development Association since joining the World Bank in 1991. Two more credits were approved by the Bank's Board of Directors July 28 and August 2. The first, for $4 million, will assist the republic's government to modernize tax administration. The second, for $15 million, aims to support the development of private banking, downsizing the industrial sector, and attracting foreign capital for new ventures.

M. Lanracci

Stanislas Balcerac

Until early 1991, Albania had chosen a self-imposed isolation that for half a century made it one of the least known and least accessible countries in the world. Widely believed to be the poorest and most undeveloped country in Europe, the republic espoused Marxist ideology and Stalinist practices that ill-served its people and its economy. In mid-1991, it joined the reform movement sweeping Eastern Europe. A 1992 International Monetary Fund report said: "The picture that emerges is one of an economy in the midst of a very serious and profound crisis that is probably deeper than that experienced by other reforming socialist countries."

That same year, the Albanian Government launched a successful—and drastic—stabilization program. By early 1994, Albania's economy was the fastest growing of all transition economies.

The tax administration modernization project comes in the wake of declining tax revenues which by 1992 had fallen from the high levels found in the mid-1980s. Profit tax revenues dropped as state enterprises became less profitable, and turnover tax revenues mirrored the declining share of state enterprise output in GDP.

This decline is not expected to reverse, so a new tax base must be found and a market-oriented tax system established. A move toward this began two years ago, but progress has been slow. Two considerations come into play: first, short-term revenues cannot be sacrificed to the long-term development of a sustainable tax base. Second, the institutional capacity of Albania's tax administration is very limited, so that tax collections, introduction of reforms and adoption of new taxes all suffer.

When they re-emerged two years ago, the Albanians found themselves with outdated production facilities and very weak institutional capacity, so the starting point was quite low. But progress has been extremely rapid.

-Stanilas Balcerac

The project's objectives are both short- and long-term. It will enhance the government's ability to sustain and improve revenue collection, and strengthen the Tax and Customs Directorates. It will, as well, improve the administrative infrastructure and, with the scheduled introduction of a Value Added Tax in 1995, provide taxpayer education and measures to improve collection and prevent evasion.

The $15 million enterprise and financial sector adjustment credit will support the development of a private banking system, continued privatization in industry and downsizing or elimination of poorly run state enterprises. All this is necessary to create the legal and institutional framework for a market economy. The IDA credit will promote the Albanian government's reform program by providing quick-disbursing funds for balance-of-payment assistance. Restructuring and privatizing state-owned enterprises will improve their performances so that they become financially equitable. Those that do not will be closed. This in turn will help downsize the public sector, limit the scope and size of government intervention and encourage the development of more commercially viable enterprises. The program will also encourage private bank lending, thereby stimulating private sector growth.

"When they re-emerged two years ago, the Albanians found themselves with outdated production facilities and very weak institutional capacity, so the starting point was quite low. But progress has been extremely rapid," says Stanislas Balcerac, the project's task manager. "In April 1993, there was a $4 million IDA credit specifically designed to prepare the ground for the operation just approved, and we've been working on this credit for about a year. We've had long discussions with the Albanians on how to best accomplish this reform program. So even though the road ahead is not necessarily an easy one, both the Bank and the government are confident and committed." □

Development Agenda

Date	Event	Sponsor	Location	Telephone
August				
7-12	10th International Conference on AIDS	Congress Corporation	Yokohama	(81-3)3466-5812
22-26	Environment and Quality of Life in Central Europe: Problems of Transition	Int'l Geographic Union Regional Conference	Prague	(42-2) 203608
September				
5-13	International Conference on Population and Development	United Nations	Cairo	(202)297-5000*
7-9	West Bank and Gaza Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
7-9	U.S. - Africa Telecoms and Broadcasting Conference	Africa Communications Magazine	Washington	(202)667-2111*
19-21	Second Annual Conference on Environmentally Sustainable Development	World Bank	Washington	(202)473-5690*
29-30	Bretton Woods Conference	World Bank/International Monetary Fund	Madrid	(202)473-1784*
October				
1	Group of 24	World Bank/IMF	Madrid	(202)-473-1784*
2	Interim Committee	IMF	Madrid	(202)473-1784*
3	Development Committee	World Bank, IMF	Madrid	(202)473-1784*
4-6	Annual Meetings of the Board of Governors	World Bank	Madrid	(202)473-1784*
24-26	International Conference on Environmental Issues in Minerals and Energy Industry	Mining Engineers' Association of India	New Delhi	(91) 674 51224

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

Schedule Of Annual Meetings And Conferences In Madrid

The 49th Annual Meetings of the Boards of Governors of the World Bank and International Monetary Fund will be held in Madrid, Spain, Tuesday, October 2 through Thursday, October 6, 1994 at the Campo de las Naciones (Campo).

To commemorate the 50th Anniversary of the Bretton Woods Conference that established the two institutions, the Bank and Fund are sponsoring a special conference on September 29 and 30, which will be open to the media.

Meetings are scheduled as follows:

- October 1--Ministers of the Group of 24
- October 2--IMF Interim Committee
- October 3--Joint World Bank/IMF Development Committee.

The Ministers of the Group of 7 and the Ministers of the Group of 10 are also expected to meet before the Annual Meetings.

The Plenary Session will be open to the press, and press conferences are scheduled at the conclusion of the Group of 24 Ministers, Interim and Development Committee meetings.

The Press Room will be located on the ground floor of the Triangular Building and will open at 9 a.m. on September 26. It will close at noon, Friday, October 7. About 350 working spaces are available on a first-come, first-served basis. Cash-only fax service will be available in the Press Room.

Correspondents with laptop computers please note that electric current is 220 volts, 50 cycles, and that the electrical outlets accept only European-style plugs.

Radio and television personnel may book satellite time through ***Television Espanola in Madrid. Contact Francisco Cortes, 346-8606 or 346-8204; fax 346-9790 or 346-9664; telex 42884.*** *Media videotaping the opening sessions should be aware that the distance from the camera riser at the rear of the Plenary Hall to the speaker's podium is approximately 50 meters.*

For further information, please contact Bill Brannigan at the World Bank, (202) 473-1784; fax (202) 676-0578 or 676-0637.

Weekly Lending Roundup

BOLIVIA A $40 million credit from the International Development Association will help Bolivia improve the quality and equity of its educational system. The $178.9 million project, cofinanced by several donor agencies, will support the first phase of an education reform program that will include the reorganization and "deconcentration" of the Bolivian educational system.

TANZANIA An IDA credit of $12.5 million will support increased private investment in Tanzania's mining sector, and also aims at improving the productivity, environment, health and safety of small-scale miners. The credit was approved July 28 by the Bank's Board of Executive Directors.

Conference on Environmentally Sustainable Development

The Second Annual World Bank Conference on Environmentally Sustainable Development, *The Human Face of Urban Environment*, will take place in Washington, D.C. on September 19 -21.

Three associated events will also take place and will be open to journalists: September 22: Quality Design and Sustainable Built Environment; September 21-23: Forum on Sustainable Community Development; September 22-23: The Business of Sustainable Cities, Private / Public Partnerships for Creative, Technical and Institutional Solutions.

For more information contact Sarwat Hussain, Office of the Vice President for Sustainable Development, The World Bank, 1818 H St., N.W. Washington, D.C. 20433, Tel. 202-473-5690, Fax 202-473-3112.

WORLD BANK NEWS

Michael Prest, Editor
Cynthia Delgadillo, Production Assistant
Steve Hendrix, Reporter

World Bank News is published in English, French and German by the Information and Public Affairs Division of the World Bank's External Affairs Department, Washington, D.C. 20433, U.S.A. Maps appearing in World Bank News are for the convenience of readers. The denominations used and the boundaries shown do not imply any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries. (ISSN 0254 6353) Telephone: (202) 473-9661.

The World Bank Group is the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). IBRD is the main lending arm of the World Bank. IDA is the World Bank affiliate that lends on concessional terms to the poorest countries. IFC finances private sector projects and advises businesses and governments on investment issues. MIGA promotes foreign direct investment through guarantees, policy advice, and promotional services.

WORLD BANK NEWS

Volume XIII, No. 32 September 1, 1994

SPECIAL ISSUE

Population And The World Bank

Special Cairo Conference Edition

Kelleher & Tait Design Group, New York

The United Nations International Conference on Population and Development 1994 opens in Cairo, Egypt on September 5. It is the most important conference of its kind in a decade. The rapidly growing number of people in the world, and the related issues of women's health and status, are among the most complex and sensitive of development challenges. This issue of World Bank News *looks at these challenges.*

Population and Development. Over the next 35 years, the world's population will rise from about 5.7 billion people to 8.5 billion. A Bank report prepared for the conference says slowing population growth is still a high priority, especially for the poorest countries. **page 3**

Women's Health and Nutrition. The issue is directly linked to population increase. According to a new World Bank report, improving women's health and nutrition is fundamental to reducing poverty, increasing gender equity, and promoting development. **page 6**

Violence Against Women. Violence against women is common around the world and exacts a terrible toll in human suffering. As such, it is a serious health problem. But it is also an obstacle to economic and social development, a just released World Bank study says. **page 9**

Development agenda, page 11

Lending roundup, page 12

Consultative group, page 12

What The World Bank Is Doing: Policies And Actions On Population And Women

Population, health and nutrition, and the closely related issues of women's health and women's participation in development, are central to the World Bank's mission of helping to reduce poverty and promote sustainable development.

■ Rapid population growth makes it more difficult for countries to provide adequate services, generate jobs and protect the enviroment. Unplanned and unwanted pregnancies can damage the health and welfare of mothers and their children.

■ Bank lending for population, health and nutrition (PHN) has gone up fivefold over the last six years. During this period, 90 percent of the Bank's PHN projects have included women's health components.

■ Almost $5.7 billion has been lent over the same period for more than 100 projects dealing with safe motherhood, family planning, sexually transmitted diseases (STDs), AIDS, adolescent sexuality, nutrition, gynecological cancers and gender sensitivity in health care.

■ As part of a more comprehensive strategy for improving women's health, the Bank has identified a package of priorities for women's health interventions in developing countries. It includes:

- Promoting safe pregnancy and providing good maternal care.
- Preventing and managing unwanted pregnancies.
- Preventing and managing STDs.
- Promoting positive health practices (for example, adequate nutrition).
- Preventing practices harmful to health (for example, giving less food to girls than to boys).

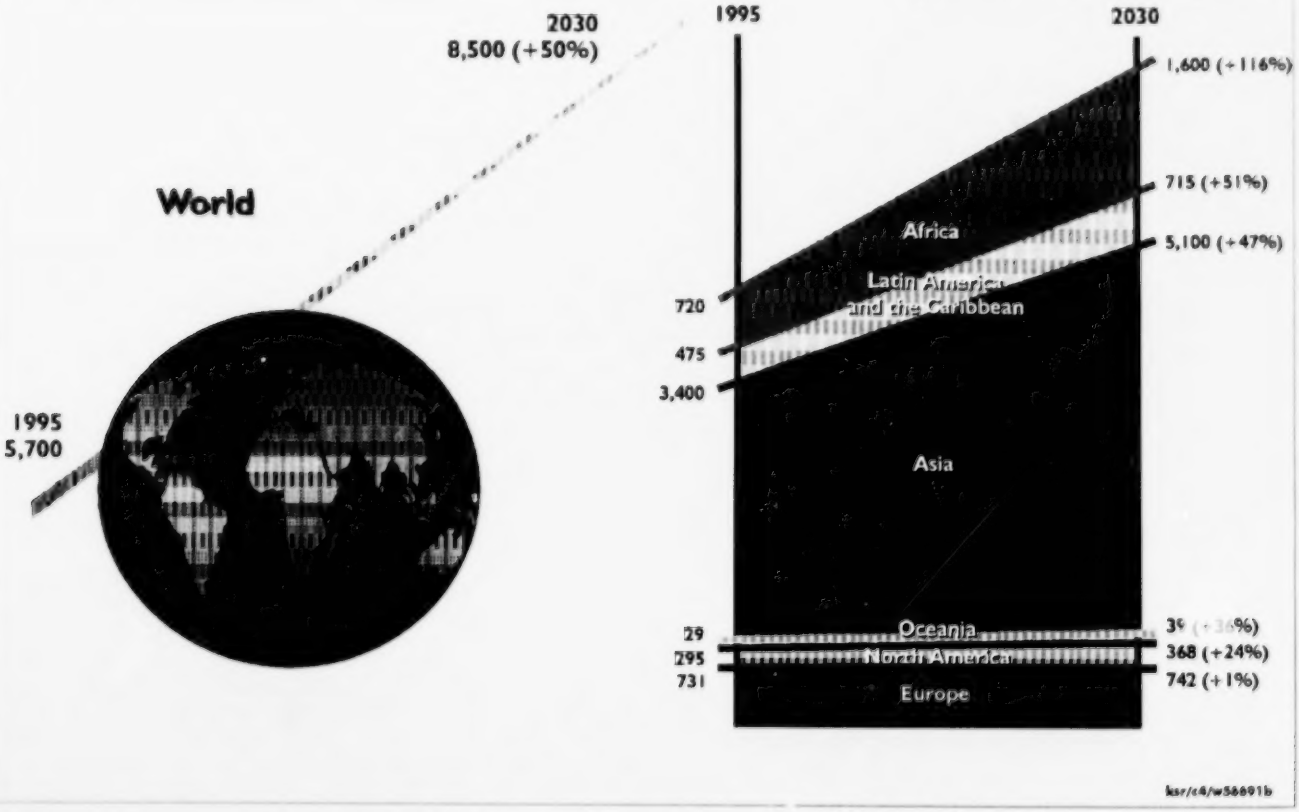
■ Violence against women is also an obstacle to development. Combatting violence against women requires tackling the root causes (cultural attitudes about relations between men and women) and treating symptoms (for example, better access to medical care).

■ Building on the Cairo conference, the Bank will stress:

- Working with borrower countries and donors to mobilize finance and other resources.
- Helping borrowers with investments in strategic areas such as infrastructure, institutional capacity and effective management.
- Coordinating this with expanding the core package of essential health services set out in the *World Development Report 1993*—public health measures such as immunizations, combined with clinical services such as tuberculosis care.
- Strengthening the Bank's skill mix.
- Using the Bank's analytical capacity better to understand the connections between population change, reproductive health and development.

World Bank Population Projections

(millions of people and percentage increase)



Combining Policy With Social Goals Can Cut Population Growth Rate

Slowing rapid population growth in poor countries cannot be achieved without integrating population policy with broader development and social goals that include educating and empowering women, and providing family planning and reproductive health services, according to a new World Bank report.

The report, ***Population and Development: Implications for the World Bank***, prepared for next week's United Nations conference in Cairo, outlines global demographic trends, reasons for public-sector involvement in population and proposed policy initiatives.

Twenty years after the first World Population Conference in Bucharest, population in developing countries is growing by 80 million a year (out of a world annual growth of about 94 million)—in absolute numbers, more than ever. Most is occurring in the very poorest countries. Such growth is linked with ever-increasing urbanization and migration, aging of the population and environmental degradation.

Despite projections that world population could double to 11 billion by the year 2100, there are reasons for optimism. The rate of growth is slowing, as many countries have lowered fertility rates. Contraceptive use among women has increased from under 10 percent in 1960 to about 55 percent. Even in poor countries like Bangladesh and Kenya, dramatic declines in fertility have been achieved during the last 20 years.

"We've got two decades of experience that show that if you educate girls and provide women with economic and political opportunities, and if you provide them with high-quality services and information so that they can control their own reproductive lives, population growth will slow down," said Dr. Thomas Merrick, the World Bank's senior population advisor. "And we've learned to have an approach to family planning and reproductive health that emphasizes individual needs and individual rights, that listens to people, rather than imposing top-down quotas and requirements and so on. Those are the things that are effective."

Nonetheless, earlier population growth has meant that the sheer number of people of reproductive age is at an all-time high, propelling what demographers call "population momentum." Even if fertility were reduced to replacement level (two children per couple), this momentum would push up developing-country population by 2.8 billion.

Population growth does not "cause" poverty or development problems, as many believed 20 years ago, but it is both a symptom of poverty and an obstacle to poverty reduction. High birth rates make it difficult to reduce poverty, invest in people and pursue sustainable economic development. It is impossible, for example, to build schools fast enough if population growth remains high and national income growth is modest or nil.

In Sub-Saharan Africa and some parts of Latin America, where population growth has remained high, the incidence of extreme poverty rose during the 1980s. In East Asia, where population is growing more slowly, it fell. Where fertility has fallen, inequality also has tended to decrease.

The burden of population growth falls overwhelmingly on developing countries. A few statistics dramatically illustrate this point. In 1950, two out of three people lived in the developing world. Today, four out of five do. In a cen-

See **POPULATION**, *page 4*

More People Increase Pressure On Cities and Services

POPULATION, *from page 3*

tury, if present trends continue, 10 out of 11 people will live in what are now considered developing countries.

The socio-economic divide between rich and poor also will grow wider, if these trends persist. In 1985, 57 percent of the world's people lived in countries with per capita incomes of less than $350 (in 1990 dollars), while 16 percent lived in countries with incomes over $19,590; in 2025, 61 percent will be in poor countries, with 11 percent in rich countries.

Cities will face extreme pressures as almost all developing-country growth will be urban. The percentage of the population living in cities is projected to reach 57 by 2025. Rapid urbanization will contribute to air and water pollution, and to land management problems in burgeoning megacities like Cairo, Mexico City and Jakarta. In many places, population growth is outrunning the capacity for countries to protect the environment.

Population growth also has fueled unprecedented transnational migration. More than 100 million people lived outside their country of birth by the mid-1980s. Many are refugees from political violence and persecution, as in Haiti and Rwanda, but many are also economic migrants. Although remittances from migrants to their home countries exceed the dollar total for development assistance, migration to North America, Europe and elsewhere is already causing socio-economic and political strains. Aging also looms as a major problem.

"Slower population growth will not solve other development problems," the report says. However, "poverty reduction through a broad range of human resource investments, including family planning, is the most likely way to speed up the demographic transition and achieve these other objectives."

The best ways to reduce fertility are to fund family planning programs, including information campaigns, and to invest in girls' education. Policies to regulate fertility should provide a range of contraceptive choices.

High quality, user-oriented services stimulate demand. Better educated women are more likely to use contraceptives, delay marriage and childbearing, and have fewer children. Women with at least seven years of education tend to marry 3 to 5 years later than women with no education. The consequent delay in childbearing could have a significant impact on reducing population momentum.

Better access to birth control could reduce unwanted and high-risk pregnancies, and, in turn, reduce projected developing-country population in 2100 from 10 billion to 8 billion, the report says. Investments in education and other social policies to enhance women's economic role could reduce population by another 700 million.

Public-sector action to provide access to reproductive health and family planning information and programs, particularly for the poor, is warranted because the market fails to deliver such services, the report says.

The World Bank has stepped up its support for family planning services, efforts to lower infant and maternal mortality, expand female education and improve women's status. In 1993, the Bank made $1.8 billion in loans for population, health and nutrition. It has more than 80 active family planning and population projects in 59 countries. □

INTERVIEW

"We Know That Something Can Be Done"

Dr. Thomas Merrick, as the World Bank's senior population advisor, is coordinating the Bank's participation in the 1994 International Conference on Population and Development in Cairo. Previously the head of the U.S.-based Population Reference Bureau, Merrick has worked on population and demographic issues for more than 20 years on behalf of the Bank, the U.S. Agency for International Development, the Ford Foundation, Georgetown University and other institutions. *World Bank News* asked him how international efforts to slow the world's population growth have progressed during that time.

WBN: Are we in a population crisis now, or is it still a potential crisis?

TM: I don't think crisis is the right word. The challenge of population growth is very serious, but it's something that can be accommodated if we do things right. The good news is that we've learned an awful lot over the last two decades. We're not where the world was at the time of the first world population conference in 1974, when people really questioned whether anything could be done. We know that something can be done. I tend to be optimistic, but not complacent. The problem is still very serious in regions such as Sub-Saharan Africa.

WBN: What have we learned in that time?

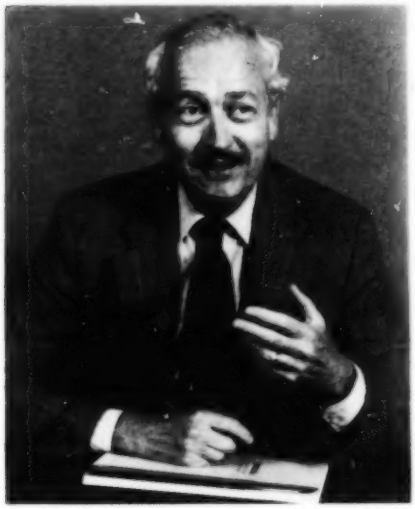
TM: Well, we have two decades of experience that show that if you educate girls and provide women with economic, social and political opportunities, and if you provide them with high-quality services and information so they can control their own reproductive lives, population growth will slow down. And it has

Continued top of next page

Agreement On Reproductive Health Is Possible

slowed down in a number of countries, for example, in East Asia and Latin America. There are even signs of change in South Asia.

And we've learned to have an approach to family planning and reproductive health that emphasizes individual needs and individual rights, that listens to people, rather than imposing top-down quotas and requirements and so on. Those are the things that are effective.



M. Ignacio

Dr. Thomas Merrick

WBN: The Bank's particular concern is population and development. How does population growth affect countries' other development priorities?

TM: The thinking about the linkages between population and development has become much more nuanced as we've recognized the complexities of the relationship. Back in the 70s, there was a fairly simplistic view of rapid population growth as the root cause of a lot of development problems. But as we looked at the data that we thought would capture that relationship, it turned out not to be there. We had to look a lot more closely at the linkages between population growth and some of the factors that do affect development, such as investments in people. It turned out that population was an aggravating factor that tended to erode the investments governments could make in human resources. In education, for example, many countries found themselves on treadmills, running faster in providing enough schools and improving quality and access to schools to a rapidly growing population.

WBN: How has the Bank's role changed in its approach to population growth?

TM: Well the Bank, along with the rest of the population field, has broadened its view over the decades. The Bank, in the 70s for example, addressed the population issue in much the same way as many of the development institutions concerned about rapid population growth, with an emphasis on family planning and reducing fertility rates. Now we know a broader approach to population through a range of development interventions—improving maternal and child health, for example, or increasing education and the provision of family planning—is a more effective way of addressing both poverty and rapid population growth.

WBN: Does the population growth issue represent a diversion of interests between rich and poor countries?

TM: I don't think so. In fact, as you look back over the last decade—since the population conference a decade ago in Mexico City—it was after that that many developing countries really seized this issue and saw that it was in their own interest to slow population growth. Many African countries for example, during the mid and late 1980s, adopted national population policies. And in a sense, many of those countries are ahead of the North on these issues.

If anything, the role that the advocacy groups and the international agencies are playing now is in focusing attention on the human rights issues, on the need to respect individual values and individual health and reproductive rights. As governments tend to focus and cope with this very complex issue, there's a tendency for them to want to be too heavy handed. Our role is often to try to temper that by saying, "look, not only is it better from the human rights perspective to focus on the individual, but it turns out be more effective." The programs that work best are the programs that respect and pay attention to the needs and rights of individuals.

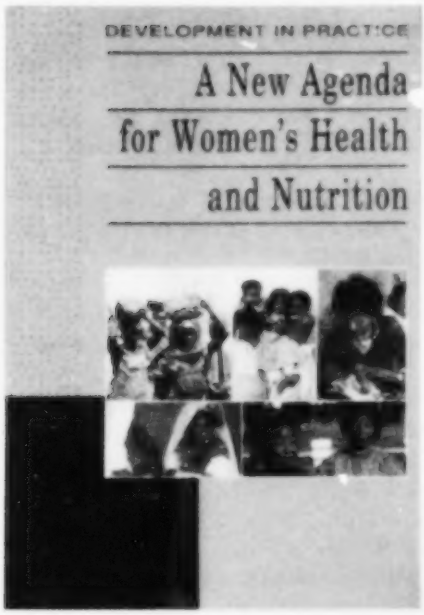
WBN: Then where do you see the greatest resistance to efforts to slow population growth?

TM: It's interesting that the controversy surrounding the Cairo Conference doesn't have much to do with the population growth issue. It has much more to do with the language of reproductive health and reproductive rights. The Vatican has raised questions about what the Cairo Program of Action implies about family values. Everyone who has participated in preparations for the Cairo Conference shares a concern and respect for these values. I see that there's a possibility that the language issue will be worked out at the Cairo conference. It's not as sharp a divide as the press is making it out to be. I think there is room for some sort of accommodation that will allow for a broader view of reproductive health issues and perhaps satisfy the concerns of the Vatican and other groups.

WBN: What are the importance of international meetings like the Cairo Conference?

TM: They provide an occasion for reflection, for mobilization of political support, for listening to people. This conference is going to be a conference at which there will be a lot of NGOs, grassroots groups coming to be heard to about their concerns. It helps to reshape issues, to define the approach of institutions like the Bank. The occasion of the conference has helped us think through again what our vision is on this issue. We'll go and listen and perhaps sharpen it up again to be able to implement some of the recommendations coming out of the conference. It's a useful opportunity to step back and examine some of the basic premises. □

Women's Health Crucial For Development



Rapid world population growth and women's health and nutrition are tightly linked. Birth rates climb when needs such as good reproductive health care go unmet; and in turn, many of women's health problems stem from their reproductive role, along with their disproportionate poverty and low social status.

This complex interplay is outlined in a new World Bank report, ***A New Agenda for Women's Health and Nutrition*** The report examines women's health problems from infancy to old age in developing countries, and presents a strategy for policy makers to reduce the major causes of death, disability and disease among women.

Women have particular health risks due to their reproductive function and their low socio-economic status.

"Women's disadvantaged social position, which is often related to the economic value placed on familial roles, helps perpetuate poor health, inadequate diet, early and frequent pregnancy, and a continued cycle of poverty," says the report.

To break the cycle, the report calls for women's health problems to be addressed in tandem with other work to improve women's well-being, such as efforts to change attitudes, behavior and laws that harm or discriminate against women. It also calls for increased education for girls, more employment opportunities for women, and involving women more in development.

"We want to get across that women's health is more than just pregnancy, and it's more than just medicine," says Anne Tinker, the report's lead author. "In some countries, women can't be seen by male health providers, or they may have no disposable income to spend on their own heath care."

Improving women's health is necessary to achieve equity between the genders and to enhance women's quality of life. But the report also describes how others will benefit if women become healthier.

The well-being of children depends largely on their mothers' health, and three-fourths of health care in developing countries is provided within the family by women. Addressing women's health problems would not only alleviate pain and suffering but would also increase their productivity and ability to contribute to society. As women increasingly work outside the home and female-headed households become more prevalent, such economic arguments assume greater importance.

In addition, the report points out that measures to improve women's health represent some of the most cost-effective investments developing countries can make.

In spite of these benefits, health care in most cultures has been deemed less important for women, and the health needs and sexuality of adolescents have been largely ignored. As a result, many if not most health providers lack the training to address many of women's health needs.

To address this new agenda for women's health and nutrition, the report's authors have identified "a minimum package of women's health interventions that should be priorities for most developing countries." Where resources permit, additional health interventions are recommended.

Continued top of next page

Examining health care.

Essential Services Are Part Of The Policy

The essential services include:

- Prevention and management of unwanted pregnacies: family planning information and services, and safe abortion management.
- Safe pregnancy and delivery services:

M. Ignacio

Ann Tinker

prenatal care, safe delivery and postpartum care. Specific services for the benefit of the mother and baby include tetanus toxoid immunization, iron-folate supplementation, nutrition counseling, and the detection, prompt referral and treatment of obstetric complications.

- Prevention and management of sexually transmitted diseases: condom promotion and distribution, prenatal screening and treatment for syphilis, symptomatic case management, and screening and treatment of sex workers.
- Promotion of positive health practices: public education and individual counseling to encourage delayed childbearing, safe sex, adequate nutrition; to encourage women and girls to adopt healthy behavior and to seek help when needed; and to increase male support for improved women's health and nutrition.
- Prevention of practices harmful to health: public education programs and policies to encourage equitable access to food and health care for women and girls; and education and services to discourage gender discrimination, domestic violence, rape and female genital mutilation. Target audiences for these programs should include policy makers, health providers and the public.

When sources permit a more comprehensive national package of interventions against a larger number of diseases and conditions, the authors call for services to include:

- A wider choice of short- and long-term family planning methods, such as post-coital contraceptives and expanded access to facilities offering surgical methods.
- Enhanced maternity care, including increased access to full-service obstetric facilities.
- Expanded screening for and treatment of sexually transmitted diseases, including facilities for diagnosis and increased HIV-related services.
- Nutrition assistance for women before and beyond reproductive age.
- Cervical and, where appropriate, breast cancer screening and treatment.
- Increased policy dialogue, strategic efforts to reduce gender discrimination, and specific violence-related services, including screening, treatment and referral.
- Greater attention to the problems of women beyond reproductive age. □

Reproductive Health Problems Common Cause Of Death

Reproductive health problems cause one-third of the days of life lost due to premature death in developing countries. Although fertility rates are falling, birth rates are very high in much of the world, and frequent pregnancies are correlated with poor health and poverty.

Inadequate access to maternity care is a principal reason that one-third of the 150 million women who become pregnant each year experience acute pregnancy-related complications, 15 million develop long-term disabilities and 500,000 die. Maternal mortality rates have not fallen as fast as infant mortality, particularly in Africa and South Asia; yet, 7 million infants die within a week of birth and 20 million low-birth-weight babies are born each year. Inappropriate maternity care also can harm women. In Latin America, many unnecessary cesareans are performed, and in the former Soviet Union, prenatal diagnostic care is over-emphasized.

In addition, one in 5 births is unwanted due to lack of access to contraceptives and safe abortions. Most of the between 40 million and 60 million abortions performed each year are unsafe, as abortions are fully legal in countries with only 40 percent of the world's population.

Depression is more prevalent among women, particularly of reproductive age. Depression-related disorders and suicide are the fifth and sixth leading causes of death among women between 15 and 44.

Cervical cancer, which is curable at low cost if detected early, is the most common cancer in the developing world, causing 183,000 deaths a year. Breast cancer causes 158,000 annual deaths.

A Life Cycle Of Women's Health Risks

The range of health problems affecting women in developing countries is extensive, and many problems exacerbate others. Particular problems affect women and girls at different stages of the life cycle.

Cultural preferences for boys lie behind higher rates of female infanticide, and the availability of amniocentesis has led to selective abortion of female fetuses.

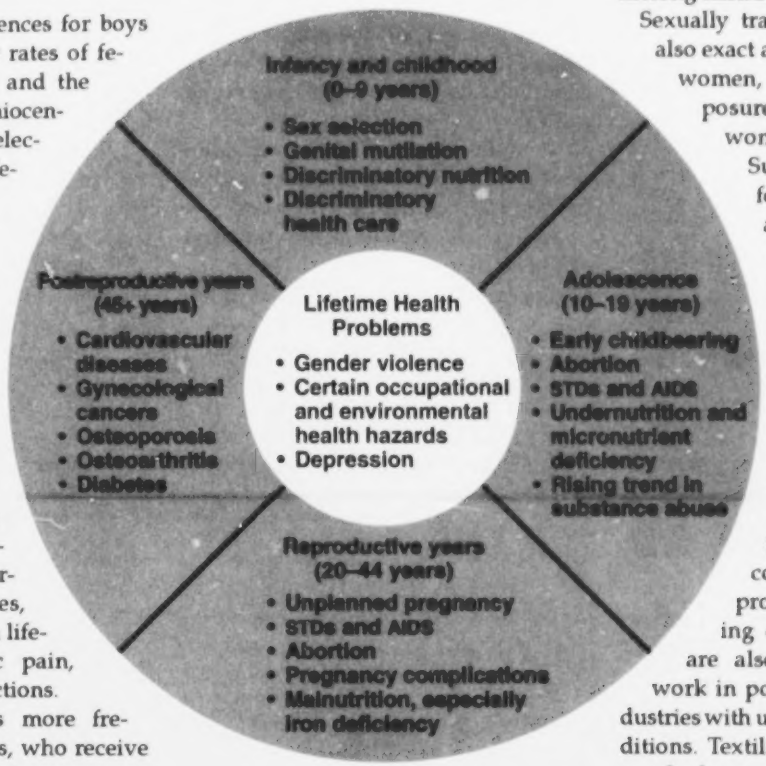
Female circumcision and other culturally traditional forms of genital mutilation are practiced on two million young girls a year, principally in Africa. About 85 million to 114 million females have undergone such practices, leaving most with lifetimes of chronic pain, bleeding and infections.

Malnutrition is more frequent among girls, who receive less food than boys in many parts of the developing world. Malnourishment during childhood has lifelong consequences, including stunted physical development, anemia and incomplete skeletal growth.

Adolescent pregnancy is more likely to have harmful health and social consequences. Adolescents—who are generally physically unprepared for childbearing—have a 20 percent higher incidence of maternal or infant death than women in their 20s and 30s. Early pregnancies also predispose women to many lifelong harmful conditions.

Sexually transmitted diseases also exact a severe toll among women, as the risk per exposure is higher among women than men. In Sub-Saharan Africa, four million women are HIV-positive, and in Southeast Asia and Thailand, widespread prostitution is causing HIV infection rates to soar.

Hazards associated with working also affect women's health. Smoke from indoor cooking is a serious problem in developing countries. Women are also more likely to work in poorly regulated industries with unsafe working conditions. Textile workers, for example, have a high incidence of pulmonary problems, dermatitis, hand injuries and chronic back pain.



Note: The adolescent years are broken out separately here, although the usual distinction is between children (ages 5-14) and those of reproductive age (15-44).

UNICEF/Sean Sprague

Healthy, happy and here.

Worldwide Violence Against Women Blocks Social and Economic Progress

Rape, domestic violence and many forms of violence linked to deeply engrained cultural beliefs about gender relations exact an immense toll in human suffering and are a major impediment to economic and social progress in developing and developed countries, according to a World Bank study.

Released on the eve of the United Nations International Conference on Population and Development, *Violence Against Women: The Hidden Health Burden*, examines the public-health consequences of violence and the relationship between violence and other social problems. The study addresses the many forms that violence takes in different parts of the world—including less-discussed problems such as female infanticide, genital mutilation, child marriage and economically coerced sex—and presents policy recommendations to combat violence.

The World Bank, the study says, can address violence against women in its policy-oriented work on poverty, health, education and women in development. It can also provide enhanced financial and technical support to non-governmental organizations (NGOs) and ministries of health, justice and education.

The toll of the violence is overwhelming. More than nine million years of life are lost annually worldwide as a result of violence against women; its aggregate health impact is comparable to that of the HIV virus.

One out of five healthy days of life lost due to premature death among women in developed countries is a result of gender-based victimization. The proportion in developing countries is smaller—one in 20—because of the greater total disease burden, but the absolute number of years of life lost due to violence is roughly the same.

Violence against women is a particularly intractable problem because "deeply embedded attitudes about male-female relations, social taboos against discussing 'private matters' in public, and the lack of a technological fix all work against a solution," according to Lori Heise, the study's principal author.

One-quarter to one-half of women in most countries report being physically abused by a present or past partner. Even more suffer psychological abuse. The greatest risk of violence is at home, and violence within relationships generally increases. It occurs in all socioeconomic classes, and affects women of all ages. Although women, too, can be violent and do abuse children, sexual abuse overwhelmingly affects women, 90-95 percent is committed by men.

UNICEF/Sean Sprague

Fear of reprisals at home keep some women from taking time for health care.

Violence against women is by no means limited to sexual abuse. It involves physical or verbal force and coercion, causing physical or psychological harm, humiliation or deprivation of liberty. "Violence" is more than sexual discrimination or oppression, the study points out.

Violence occurs throughout life, and "violence experienced in one phase [of life] can have long-term effects that predispose the victim to severe secondary health risks," the study says. The earlier that abuse occurs, the more enduring its effects.

In addition to physical impairment and pain, violence increases the risk of depres-

See **VIOLENCE**, *page 10*

Changed Attitudes, Better Care, More Reforms

VIOLENCE, *from page 9*

sion and other psychological disorders, suicide and substance abuse. Sexual abuse can lead to sexually transmitted diseases including AIDS, unwanted pregnancy, infection and gynecological problems.

According to the study, four factors are strong predictors of violence against women: economic inequality, the propensity to use physical force to resolve conflict, male authority in the home, and divorce restrictions for women. Efforts to eliminate violence against women, therefore, must confront underlying cultural beliefs and social structures that perpetuate violence, the report emphasizes. Education must teach from an early age that violence is wrong.

While better care is needed for victims of violence, prevention strategies are essential. Attitudinal change is central, but legal reforms and health-care and other policy initiatives can make a difference. Interventions by the state and by community and women's groups may save lives and reduce injuries and long-term effects.

At the same time, legal reforms to criminalize violence in the family are a high priority because most countries do not recognize domestic violence, marital rape and female infanticide as crimes. Many laws implicitly sanction violence or hinder women's ability to escape from violent marriages or relationships. These are widespread, ranging from a Pakistani requirement that four men must testify for a rapist to be subject to the most severe punishment, to a Chilean law that exonerates rapists who agree to marry their victims. Improved law enforcement and more vigilant prosecution of gender-based crimes are also crucial. The public can take greater responsibility by confronting, humiliating and reporting assailants.

The health-care system has a key role to play because clinics, hospitals and individual health-care workers are well-positioned to identify and refer victims. A major problem is that most victimized women do not seek treatment because they accept victimization, fear reprisals, are not given social and legal support, or do not have easy access to treatment centers. But amending existing laws can improve women's access to treatment and support. Raising consciousness about violence should be incorporated into curricula and licensing exams for doctors, psychologists, nurses and midwives.

NGOs and private women's groups also play an important role in identifying and treating victims, and spearheading educational efforts to publicize the scope of the problem and change attitudes. □

What Is Violence Against Women?

From the report...Definitions of violence against women from around the world.

Behavior by the man, adopted to control his victim, which results in physical, sexual and/or psychological damage, forced isolation, or economic deprivation or behavior which leaves women living in fear. (Australia 1991)

Any act involving use of force or coercion with an intent of perpetuating/promoting hierarchical gender relation. (Asia Pacific forum on Women, Law and Development 1990)

Any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivations of liberty, whether occurring in public or private life. Violence against women shall be understood to encompass but not be limited to:

Physical, sexual and psychological violence occurring in the family and in the community, including battering, sexual abuse of female children, dowry-related violence, marital rape, female genital mutilation and other traditional practices harmful to women, non-spousal violence, violence related to exploitation, sexual harassment and intimidation at work, in educational institutions and elsewhere, trafficking in women, forced prostitution, and violence perpetrated or condoned by the State. (U.N. Declaration against Violence against Women)

Any act, omission or conduct by means of which physical sexual or mental suffering is inflicted, directly or indirectly, through deceit, seduction, threat, coercion or any other means, on any women with the purpose or effect of intimidating, punishing or humiliating her or of maintaining her in sex-stereotyped roles or of denying her human dignity, sexual self-determination, physical, mental and moral integrity or of undermining the security of her person, her self-respect or her personality, or of diminishing her physical or mental capacities. (Draft Pan American Treaty against Violence against Women)

Any act or omission which prejudices the life, the physical or psychological integrity or the liberty of a person or which seriously harms the development of his or her personality. (Council of Europe 1986).

Development Agenda

Date	Event	Sponsor	Location	Telephone
SEPTEMBER				
5-13	International Conference on Population and Development	United Nations	Cairo	(202)297-5000*
6-7	Meeting of the Executive Board	Common Fund for the Commodities	Amsterdam	(020)664-6409
7-9	West Bank and Gaza Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
7-9	U.S. - Africa Telecoms and Broadcasting Conference	Africa Communications Magazine	Washington	(202)667-2111*
13	Press Luncheon. *A Consensus for Change: Transforming the United Nations' Role in Global Economics*	United Nations Association	Washington	(202)347-5008*
19-21	Second Annual Conference on Environmentally Sustainable Development	World Bank	Washington	(202)473-5690*
26-30	Regional Conference on the Integration of Women in the Economic and Social Development of Latin America and the Caribbean	United Nations	Mar del Plata, Argentina	(54)51-814063
29-30	Bretton Woods Conference	World Bank/International Monetary Fund	Madrid	(202)473-1784*
OCTOBER				
1	Group of 24	World Bank/IMF	Madrid	(202)-473-1784*
2	Interim Committee	IMF	Madrid	(202)473-1784*
3	Development Committee	World Bank/ IMF	Madrid	(202)473-1784*
4-6	Annual Meetings of the Board of Governors	World Bank	Madrid	(202)473-1784*
24-26	International Conference on Environmental Issues in Minerals and Energy Industry	Mining Engineers' Association of India	New Delhi	(91) 674 51224

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

Bank Names New External Affairs Director

The World Bank has appointed a new director of External Affairs.

Mark Malloch Brown

He is Mark Malloch Brown, 40, a British national. Malloch Brown will begin his new duties September 20, reporting directly to Bank President Lewis Preston.

Malloch Brown joins the Bank from the communications firm of Robinson Lake Sawyer and Miller, where he was a partner and led its international practice. In this and in similar posts, Malloch Brown has advised government leaders on using communications to further their political and public policy agendas. Similarly, he has advised corporate leaders on using communications as a means of managing change. He has also been a campaign adviser to presidential candidates in a number of countries.

Malloch Brown's international organization experience includes several posts with the Office of the United Nations High Commissioner for Refugees. Notably, from 1979 through 1981, he was responsible for establishing camps for Cambodian refugees. He has subsequently served as an outside advisor to a number of international organizations.

He also has broad journalistic experience, having worked on the staff of the Economist, where he created and edited *The Economist Development Report*.□

Weekly Lending Roundup

China Transporting goods throughout China is becoming more difficult as trade and industrial congestion increases in the country. In Xinjiang, China's largest province, there is only one rail line and no access to water transport, making sound, safe highways an urgent priority. A World Bank loan of $150 million will help finance a $317 million plan to expand and improve the highway system in the northwest province. The project includes a new 300 kilometer highway along with improvements to the region's road maintenance and management operations.

Tunisia Tunisia will continue its ambitious education reform with help from a $98.3 million World Bank loan. The project aims to improve the quality and efficiency of basic and secondary schools and to help meet a projected jump in enrollments. The first component will boost the management and evaluation abilities of central and provincial agencies and improve training for about 26,000 educators. A second component will build about 74 new schools, rehabilitate others, improve maintenance and provide better instructional equipment.

Donors Pledge Help For Haiti

International donors met informally in Paris last week to began preparations for Haiti's economic and social recovery once its constitutional crisis is resolved.

At the request of the government of Haiti, bilateral and multilateral agencies gathered at the World Bank's European headquarters on August 26 to discuss an overall development assistance program. Delegates agreed to send a joint mission to Haiti as soon as conditions permit.

The team, to be drawn from the Inter-American Development Bank, the International Monetary Fund, the United Nations Development Programme and the World Bank, will discuss the economic framework, review the existing portfolio and prepare an emergency recovery plan.

Donors backed a U.S. proposal to establish a group of donors to help Haiti clear its arrears to international financial institutions, and for the World Bank to convene a formal meeting of the Consultative Group for Haiti as soon as feasible.□

Journalist Advisory

To receive free copies of the reports discussed in this issue of *World Bank News*, write on company letterhead to the World Bank, Office of the Publisher, Marketing Unit, Room T-8054, Washington D.C. 20433, USA. Fax: (202) 676-0579.

WORLD BANK NEWS

Michael Prest, Editor
Cynthia Delgadillo, Production Assistant
Steve Hendrix, Reporter

World Bank News is published in English, French and German by the Information and Public Affairs Division of the World Bank's External Affairs Department, Washington, D.C. 20433, U.S.A. Maps appearing in World Bank News are for the convenience of readers. The denominations used and the boundaries shown do not imply any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries. (ISSN 0254 6353) Telephone: (202) 473-9661.

The World Bank Group is the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). IBRD is the main lending arm of the World Bank. IDA is the World Bank affiliate that lends on concessional terms to the poorest countries. IFC finances private sector projects and advises businesses and governments on investment issues. MIGA promotes foreign direct investment through guarantees, policy advice, and promotional services.

WORLD BANK NEWS

ne XIII, No. 33 September 8, 1994

NDING

From Street Kids To School Kids In Northeast Brazil

northeast Brazil, drought drives oor people into the cities. In the cit-s, urban poverty drives their kids ne streets.

t is the tragic sequence that has pro- ballooning populations of "street en" in the cities and towns of Ceará, r dry state on the Atlantic coast.

Street children are a familiar sight in cities across Brazil. In the northeast, drought is fueling the problem. Rural families, coming from their parched land in search of scarce jobs, are forced to send their children into town squares and markets to do what work they can: shine shoes, run er-

See **BRAZIL**, *page 2*

ut not alone.

Bank Gives $20 Million For Rwanda

The World Bank, responding to the humanitarian crisis that continues to wrack Rwanda, has approved a $20 million grant to help begin the African country's rehabilitation.

The funds, approved September 1, will go to four United Nations agencies working with private organizations to facilitate the return of thousands of refugees who fled Rwanda's tide of inter-ethnic violence. The money will help restore crucial services and infrastructure across the country by providing basic shelter, sanitation and health services to returnees. Some of the funds will help Rwandan farmers get their fall crops in the ground before the end of the planting season.

"We want people to go back to their land; we want people to begin to return to their normal lives," says Jerome Chevallier, chief of country operations for the South-Central and Indian Ocean Departments of the Bank's Africa region. "This grant will help reestablish the conditions necessary to encourage them to go home."

See **RWANDA**, *page 2*

China launches industrial reforms in Shenyang Province with Bank help. **3**

Bank President Lewis T. Preston speaks at the Cairo population conference. **6**

Development agenda, page 4

■

Lending roundup, page 5

■

Press advisory, page 5

Help For Street Children Part Of Broader Ceará State Program

BRAZIL, *from page 1*

rands, guide tourists. Some simply beg for change; others are forced into a life of prostitution or theft; most have abandoned school.

"These kids have no future," says Mary Sheehan, a financial analyst in the Bank's Latin American region. "They just grow up to be older street people, and a pool for growing criminal activity."

The children lose the most, of course, including their chance for education, employment and self respect. But as crime rates rise and tourism falls, the problem also drains the resources of already overburdened cities, making them even less able to help the children.

For the last few years, however, Ceará has been fighting to get its kids off the streets, back in class, and ultimately, into good jobs. And the battle is entering a new phase with help from the World Bank. A three-year-old state program in the capital city of Fortaleza offers poor children vocational training in fields such as auto mechanics, electrical engineering, cooking and computers. The training includes paid on-the-job instruction for part of each day, but to participate, students must spend the rest of the day in school. The program has already seen some kids, who might otherwise be on the street, complete their courses and take apprentice jobs with local companies.

Now the Bank is providing $2 million to extend the program to more poor neighborhoods in more cities. The Bank funds are part of a larger project to address two root causes of the state's urban poverty and the street children phenomenon: poor urban infrastructure in general, and inadequate water in particular.

"We don't often look specifically at the needs of children in our urban projects," says Sheehan, the task manager of the $140 million loan. "But here we saw an existing state program clearly linked to our overall object of reducing urban poverty and a chance to expand something that is clearly working very well in the capital to other cities and towns."

Bank funding will allow a two-year pilot expansion of the vocational program to about seven other urban areas in Ceará, along with new facilities, equipment and training. And the funds will also provide for a monitoring system to help track the program's effectiveness. Eventually, lessons learned in Ceará could be used to help street children in Sao Paulo and Rio de Janeiro, where the problem is even more serious.

The broader Bank loan seeks to improve the lives of poor people in the cities of Ceará by helping the state manage increased urbanization and its acute scarcity of water. These two challenges are inextricably linked: dry areas are poor areas, and rural-urban migration comes largely from those villages in the interior of the drought-ridden state that lack safe, reliable drinking water.

Most of the region receives only about 30 inches of rain a year, and most of that comes all at once in a fleeting, two-month soaking. Under the project, local governments will get help in both capturing the rainfall—in a string of more than 30 new storage reservoirs—and in their long-term planning and management of scarce water resources. The reservoirs, along with new conveyance systems, will provide water to 50 localities currently without it.

For the poor who have already swelled the slum areas of the state's cities, the loan includes plans for extensive upgrading of urban services. The project aims to provide poor families in about 150 municipal neighborhoods with low-cost sanitation, drainage, street paving, lighting, community facilities and other basic urban infrastructure.□

Rwanda Cash Goes Through U.N. Agencies

RWANDA, *from page 1*

The money will be allocated to the U.N. agencies, which will in turn fund the field work of various non-governmental organizations, as follows:

- $10.5 million to U.N. International Children's Fund to restore basic health services to the Rwandan returnees and to improve water supply and sanitation systems.
- $1.5 million to the World Health Organization for epidemiological surveillance, HIV prevention and the distribution of medical supplies and equipment.
- $4 million to U.N. High Commissioner for Refugees to meet emergency shelter and infrastructure needs of returnees.
- $4 million to the Food and Agriculture Organization for the provision of agricultural planting materials and tools.

We want people to go back to their land; we want people to begin to return to their normal lives.
—Jerome Chevallier

The emergency relief grant is only the second such allocation by the Bank, which lends money for long-term reconstruction and development operations. But the "appalling" nature of the Rwanda crisis led the Bank to act in response to the July appeal to the international community by the UN secretary general, Chevallier says. In 1992, the Bank donated $20 million in logistical support to the famine relief effort in Somalia.

By mid-September, the Bank will send an assessment mission to Rwanda to help draw up plans for the country's economic and social recovery.□

LENDING

China Industrial Reform Seeks To Revitalize State-Owned System

China's stunning economic performance during the last 15 years, with its relentless double-digit growth rates, has resulted largely from reforms that have shifted economic control from government to private enterprises, and combined free-market forces with central planning. But the reforms have been spotty: some regions have been left behind, and the costs of reform and growth include pollution and the need for new forms of social protection.

Austin Hu

Although industry accounts for nearly half of China's GDP and employs one-fifth of its labor force, much of the recent growth has occurred in coastal provinces where economic changes have been most rapid. Shenyang—the largest industrial city in the northeast, and a major center for engineering, petrochemical, iron and steel industries—was largely bypassed during the booming 1980s.

Recognizing the need for wide-ranging reforms, in 1991, Shenyang's mayor, Wu Disheng, won adoption of a long-term reform plan for the municipality's economic development. The plan was designed to privatize publicly-owned enterprises, promote diversification of ownership, increase pollution control and develop sound financial markets.

"The primary aim of our reform process is to inject vitality into the state-owned economic system," Mayor Wu said in a 1992 talk at the World Bank. "This includes recognizing the value of individual achievement and the importance of separating both ownership from management and government from enterprises."

The reforms have received an additional boost from a $175 million World Bank loan, which includes the Bank's first line of credit to a Chinese enterprise. The loan will help redefine the role of Shenyang's government by reducing its involvement in industry and fostering private corporate ownership and a competitive market. The project, whose total cost is estimated at $363 million, targets the city's engineering industry, which accounts for 40 percent of its industrial output. The loan is specifically geared to rehabilitate and modernize three merged machine-tool enterprises.

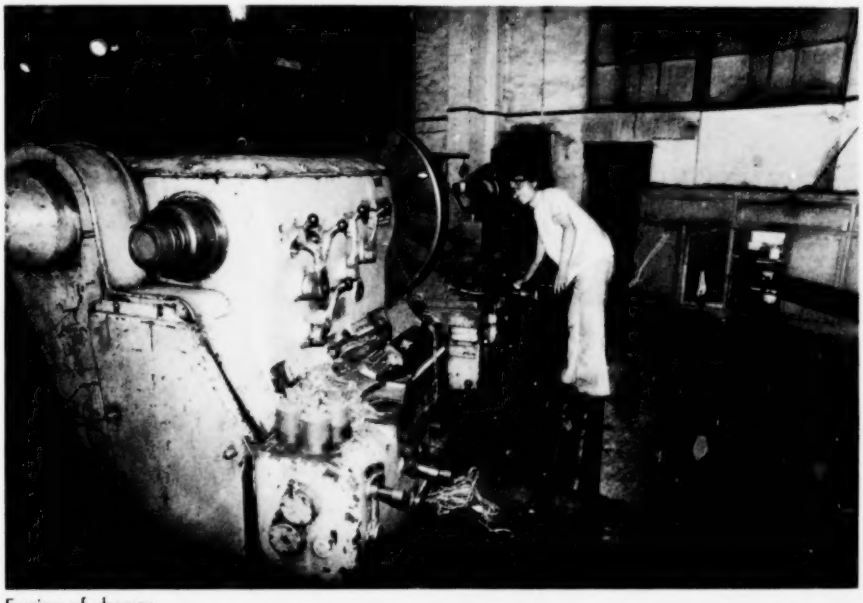
Shenyang was chosen because of its potential and its problems. It is the largest center of capital and skilled labor in the northeast, but also has severe productivity and pollution problems. Because of these factors and the local government's commitment to change, both China's central government and the World Bank saw Shenyang as a good pilot city for economic and industrial reform.

"This is the most comprehensive industrial reform project the Bank has been involved with in China," according to Austin Hu, the project's task manager. It includes training for municipal officials and safety inspectors and a labor-market information system.

The project uses the city's leading industrial employer, the newly integrated Shenyang Machine Tool Company, Limited, as a model for restructuring. A major portion of the Bank's loan will be used to upgrade production techniques and design for metal-cutting machine tools, measuring instruments, foundry equipment and other engineering products, as well as for management and language training. The company, which now employs 20,000 workers and generates $24 million in annual export revenues, will be slimmed down by one-third within the next five years while its export revenue is to be increased to $53 million.

Environmental protection is another component of the project. It will establish a wastewater monitoring system, increase staffing and enforcement for the city's Environmental Protection Bureau, and build a hazardous-waste treatment facility.

Mayor Wu, who spoke in sweeping terms of "human history [as] the story of continual reform," died last year in a helicopter accident, but his reform agenda lives on. □



Yosef Hadar

Engine of change.

Date	Event	Sponsor	Location	Telephone
SEPTEMBER				
7-9	West Bank and Gaza Consultative Group Meeting	World Bank	Paris	(33-1)4069-3016
7-9	U.S. - Africa Telecoms and Broadcasting Conference	Africa Communications Magazine	Washington	(202)667-2111*
13	Press Luncheon: A Consensus for Change: Transforming the United Nations' Role in Global Economics	United Nations Association	Washington	(202)347-5008*
19-21	Second Annual Conference on Environmentally Sustainable Development	World Bank	Washington	(202)473-5690*
26-30	Regional Conference on the Integration of Women in the Economic and Social Development of Latin America and the Caribbean	United Nations	Mar del Plata, Argentina	(54)51-814063
29-30	Bretton Woods Conference	World Bank/International Monetary Fund	Madrid	(202)473-1784*
OCTOBER				
1	Group of 24	World Bank/IMF	Madrid	(202)-473-1784*
2	Interim Committee	IMF	Madrid	(202)473-1784*
3	Development Committee	World Bank, IMF	Madrid	(202)473-1784*
4-6	Annual Meetings of the Board of Governors	World Bank	Madrid	(202)473-1784*
24-26	International Conference on Environmental Issues in Minerals and Energy Industry	Mining Engineers' Association of India	New Delhi	(91) 674 51224
24-27	Second International Conference on Carbon Dioxide Removal	Research Institute of Innovative Technology for the Earth	Kyoto, Japan	(81)6 376 2963
24-28	Annual Meeting: Consultative Group on International Agricultural Research (CGIAR)	World Bank	Washington	(202)473-8913*

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

Bank Will Raise Family Planning Funding By Half

PRESTON, *from page 6*

difference. Average fertility rates in Bangladesh, for example, have declined from seven births per woman in the mid-1970s to close to four in the 1990s.

These kinds of investments are highly cost-effective, but not high cost:

- The Bank estimates, for example, that a basic preventive health care package—including maternal and child care—can be provided at an annual cost of about $8 per person in the poorest countries.
- Raising girls' primary school enrollment rates to equal boys' would cost just under $1 billion—or only 2 percent of annual education spending by the developing world.
- Resources needed for family planning services are also relatively modest. Around $5 billion per year is currently spent on family planning in the developing countries—which is less than five percent of military expenditures.

Clearly, financing is not the main issue. Much of the money required can be generated through redirecting resources towards priorities—and making sure that they are used efficiently. Nor need all the additional investment come from government budgets. There is ample evidence that people are willing to pay for family planning services—provided they have access to them.

Donor support, of course, remains important—particularly in the poorest countries. But it must be better tailored to meet individual country needs—and to offer people a range of appropriate choices. The proportion of couples using some kind of fertility regulation has increased from ten percent 30 years ago, to over 50 percent today. Further and faster progress depends on making those services even more responsive to people's needs. That means listening even more to what people want—and we donors are not always very good at listening.

Speaking for the World Bank, our support for poverty reduction focuses on the same investments required for a broad approach to fertility reduction. About half of the projects that we finance, for example, now include specific components aimed at empowering women. Last year, we committed almost $2 billion for education alone—much of it focused on keeping girls in school. Over the last five years, the Bank has also become one of the largest financiers of family planning and reproductive health services. Close to $200 million was committed last year—and this is projected to increase by 50 percent over the next three years.

Quality, however, matters more than quantity. The Bank—and all of us—must do more to ensure the effective implementation of the programs we support:

- by better targeting our resources so that they reach the poor;
- by strengthening partnerships among all those engaged in this effort—to enhance overall impact;
- and by keeping population issues at the forefront of the policy dialogue.

The world's rapid population growth rate affects us all. Addressing it is a responsibility that we all share—which brings me back to why we are here.

The issue cannot be resolved around the conference table. It can only be resolved when individuals decide that it is in their own best interest to have smaller families, so that more resources can become available for education, health and poverty reduction. The international community must help to create the conditions in which they can make that choice.

If this conference is to have any meaning beyond words and good intentions, we must act—*now*.□

Washington Press Advisory

The World Bank will publish its 1994 Annual Report on September 25. A prepublication press briefing will be held on Friday, September 16, at 10:00 a.m. in the "J" building auditorium, street level, 701 18th St. NW, Washington, D.C. Remarks at the briefing will be under the same embargo as the report itself–4 p.m. EDT Sunday, September 25.

Preceding the Bank briefing at 9:30 a.m. Friday, September 16, the Multilateral Investment Guarantee Agency (MIGA) will present its Annual Report 1994, also in the "J" building auditorium. MIGA's report is under embargo until 4 p.m. EDT Sunday, September 18.

Contact: Bill Brannigan (202) 473-1784.

Weekly Lending Roundup

Albania Farming in Albania accounts for a full half of the country's GDP, and provides half of its jobs. But its irrigation system, crucial in the fertile lowlands where summer rainfall is limited, fell into disrepair with the collapse of the cooperative farm sector. A credit of SDR 7.1 million ($10 million) from the International Development Association aims to rehabilitate parts of the country's irrigation infrastructure. The repairs on existing systems will help set the stage for the modernization needed to boost production on the small private farms that have emerged from recent land reforms.

POPULATION CONFERENCE

"We Must Act Now," Preston Says

The following speech was delivered by World Bank President Lewis Preston to the United Nations International Conference on Population and Development in Cairo, Egypt, on September 6:

I think it is important to keep reminding ourselves why we are here. Most of us have attended this kind of large conference before. We meet; we highlight the issues; we reach a consensus; we make promises. Then we go home—and, all too often, there is very little action.

We cannot afford to let that happen in Cairo. The stakes are too high. Putting it bluntly: if we do not deal with rapid population growth, we will not reduce poverty—and development will not be sustainable.

A billion people already struggle to survive on a dollar a day. Two billion people are without clean water. Three million children die each year from malnutrition. And yet, population in the developing countries will increase more during this decade than ever before—by some 80 million people a year. Within the next 35 years, global population will increase by about half. South Asia's population will grow by two-thirds. Sub-Saharan Africa's will more than double.

Who will feed and house the additional numbers? How will they be educated and employed? And what will be done to relieve the inevitable stresses on the environment?

These are difficult questions. But to a great extent, we know the answers. The problem is that we are not doing enough—quickly enough—to implement the basic actions that experience has shown to be effective.

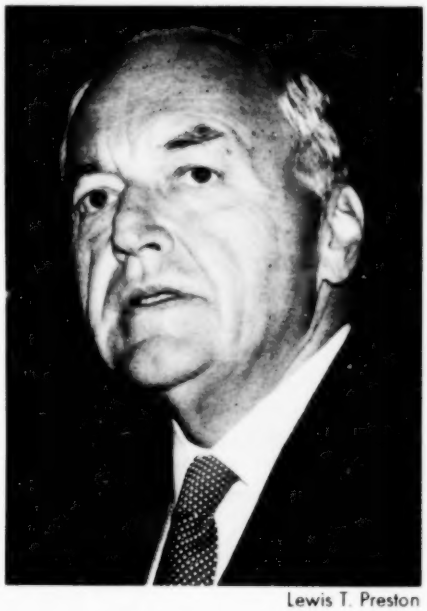
The Cairo Program of Action offers us the proper perspective on rapid population growth: it is a symptom of poverty—and an obstacle to poverty reduction.

We know that as incomes increase—and people lead longer, healthier lives—fertility decreases. Rapid fertility declines in East Asia, for example, went hand-in-hand with steady economic growth and improved living standards. In Sub-Saharan Africa, by contrast, the population growth rate of more than 3 percent over the last decade has been running far ahead of the economic growth rate of less than 2 percent. Africa's people have paid the price in terms of declining incomes and increasing poverty.

Our approach to population policy, therefore, must be part of a broader strategy to reduce poverty -- through sustainable growth and investments in people. Three types of investment are particularly important:

• First, basic health care—especially for women and children. In many of the poorest nations, one in every ten children dies before its first birthday. Reducing these appallingly high infant mortality rates—so that parents do not have to worry so much about their children's survival—is essential to reduce fertility rates.

• Second, we know that birth rates decline when women are given access to education. An educated woman is more likely to delay marriage, space her pregnancies—and have fewer and healthier children. She is also likely to earn more if she works—and invest more in her children's education. Yet, nearly 100 million girls are currently denied education. The goal of universal primary education is something that we can—and must—achieve within the next generation.



Lewis T. Preston

• Access to family planning services is a third critical investment. Combined with economic growth and social investment, access to family planning has shown remarkable results in countries as diverse as Indonesia, Mexico, and Zimbabwe. Even in very poor countries where income growth and investment in people have lagged, family planning has made a big

See **PRESTON**, *page 5*

WORLD BANK NEWS

Michael Prest, Editor
Cynthia Delgadillo, Production Assistant
Steve Hendrix, Reporter

World Bank News is published in English, French and German by the Information and Public Affairs Division of the World Bank's External Affairs Department, Washington, D.C. 20433, U.S.A. Maps appearing in World Bank News are for the convenience of readers. The denominations used and the boundaries shown do not imply any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries. (ISSN 0254 6353) Telephone: (202) 473-9661.

The World Bank Group is the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). IBRD is the main lending arm of the World Bank. IDA is the World Bank affiliate that lends on concessional terms to the poorest countries. IFC finances private sector projects and advises businesses and governments on investment issues. MIGA promotes foreign direct investment through guarantees, policy advice, and promotional services.

WORLD BANK NEWS

Volume XIII, No. 34 September 15, 1994

LENDING

$500 Million For Grass-Roots Development in Mexico

In some of the smallest, poorest towns of southern Mexico, and in the most remote Indian villages, local people are taking charge of a key part of development: improving their own social and economic infrastructure. Local people are rebuilding rural roads and paving village streets; they're bridging streams, laying water pipes and building new schools. They are picking their own projects and doing their own work, often for half the cost of federal or state-provided contractors.

This is "Solidarity," the Mexican government's ongoing program to transfer the authority—and the money—for public works projects to the towns and villages that most need them. Instead of the old system of centralized plans that trickle down to towns from federal and state agencies, local communities are getting a say in what their projects will be and how they are designed. It's a nation-wide initiative, but the World Bank has loaned $350 million since 1989 for projects targeting Mexico's four poorest states—Oaxaca, Chiapas, Guerrero and Hidalgo—all in the rural South.

IBRD 25680

Now a second Bank loan of $500 million will

See **MEXICO**, *page 4*

PRIVATE INVESTMENT

Guarantees To Encourage Private Capital Flows

An increasing number of developing countries are looking for private capital to meet their development needs, moving away from their previous reliance largely on the public sector. This trend is particularly striking in infrastructure—roads, power plants, ports, water and sanitation.

However, private investors willing to bear the commercial risk are wary of the risks arising from the failure of governments or their agencies to meet their contractual obligations on which these investments are based. Their perception of risk is magnified when governments do not have a good record of meeting contractual obligations, and when regulatory and legal frameworks are perceived to be inadequate. As a result, the dozen or so major private sector infrastructure projects in recent years are only a tiny fraction of the total needed in developing countries.

See **GUARANTEES**, *page 5*

China plans to expand school reforms to poor and minority areas. **2**

Bank Vice President Ismail Serageldin on sustainable urbanization. **3**

The Bank opens a Caribbean information center in Jamaica . **4**

Africa's health could be improved at low cost, the Bank reports. **6**

Development agenda, page 7

Conference notice, page 8

Press advisory, page 8

China Expands Education In Poor Areas

UNICEF/Sean Sprague

Education is central to China's long-range development plans, and the country has set an ambitious goal of providing nine years of education for all school-aged children as soon as practical. Already more than 95 percent of children aged 6 to 11 years are enrolled in primary schools, and more than 60 percent of 12 to 15-year olds are in secondary classes.

But China's success conceals the educational disparity among the country's 1.2 billion citizens. While the goal of universal basic education has already been achieved in most large cities and coastal areas, many poor and remote areas have not even reached six years of schooling. In these places–many of them inhabited by minority groups–classrooms and schools are insufficient, dilapidated and even dangerous. Many of the teachers are unqualified and their teaching materials poor and outdated. Drop-out and repetition rates are high.

A new government plan, partly funded by an IDA credit of SDR 69.2 million ($100 million), seeks to expand and strengthen the education systems in poor and minority areas in six provinces. The three-part project, with a total cost of $177 million, will provide rehabilitation and new construction of schools, management training and improved curricula, including innovative, bilingual programs for ethnic minorities.

The wide-ranging program will create or improve about 40,000 schools, bettering the education of about 5 million Chinese children in some of the country's poorer counties.

- the institutional component will finance school renovation and some new construction of primary and lower middle schools; furniture, instructional equipment, texts and other books; a pilot program to prepare selected schools as training sites for elementary teachers; and other training programs for teachers, principals and administrators.
- the management improvement component will develop skills at the central, provincial and institutional levels through training, equipment and a new information management system.
- the quality enhancement component will help provide innovations such as the development of minority and bilingual books and textbooks, a minority education training center, new ways to deliver education to poor and remote communities, and ways to overcome problems in educating girls.

INTERVIEW

'There's No Record Of Urbanization Not Being Accompanied By Modernization'

The Second World Bank Annual Conference on Sustainable Development, The Human Face of Urban Environment, *will take place in Washington, DC, September 19-21.* World Bank News *interviewed Ismail Serageldin, the Bank's vice president for Environmentally Sustainable Development.*

It is not surprising that Ismail Serageldin is interested in cities. By training, he is an architect, an engineer, an urban planner, and an economist. By nationality, he is Egyptian. Few countries have had a longer history of urbanization than Egypt. But why should the World Bank organize a conference on cities under the rubric of environmentally sustainable development?

Serageldin is clear about the reasons. Sustainable development is not just about the "green agenda" exemplified by concern about conserving habitats and species in the long-term — important though these are. It is also about the "brown agenda"—air and water pollution, disposal of waste (both industrial and domestic), and noise. And this is in large measure an urban agenda. Left unaddressed, the harmful effects of these problems reduce the quality of life for urban dwellers now and in the future.

Half of humanity lives in urban centers, Serageldin points out, and the percentage is steadily rising. "Urban centers are the future," he continues. "People don't realize that this is especially true in the developing world. In 1975, the number of urban dwellers in developing countries overtook that in industrial countries. Today, because of rapid population growth and migration, there are many more urban dwellers in developing countries than in industrial countries."

"Moreover, the Bank's purpose is to help reduce poverty, and increasingly the worst poverty is found in urban areas. Too many city dwellers live in miserable conditions. That's why we are focusing on the human face of the urban environment. These people have the right to clean air, clean water, sanitation and sewerage," Serageldin says.

A crucial link between reducing poverty and investing in cities is that urban economic activities account for over half of national output. Improving urban efficiency, therefore, raises productivity and incomes in the whole economy. The economic losses from, for example, traffic congestion in cities such as Bangkok affect everyone in Thailand. Serageldin notes: "Contributing to increasing the efficiency of cities is a direct win-win opportunity. Everybody stands to gain."

Beyond that is an even more basic imperative. Serageldin goes on: "There's no record of modernization not being accompanied by urbanization. I believe we must also create a sense of freedom — political, social, and economic. It's essential. Ultimately, that's how we help cities and the poor by providing opportunities for city dwellers to find their freedom, and express who they are."

Serageldin is talking energetically. "It is part of this great human adventure that people should have the means to empower themselves, to take charge of their destiny. They should have land, shelter and services. The poor and the marginalized, especially women, must be assisted to acquire the tools of that empowerment. Thus, cities will continue not only to be engines of growth and modernization, but also places for realizing individual and collective freedom."

The connection between, cities, the environment, and progress is highly human. "We're talking about vast agglomerations of people who can provide a space of freedom for the new, the innovative, and the unconventional. We're talking about the freedoms and opportunities that cities can bring. That's what makes people tick," Serageldin declares.

Cities are not a new issue for the Bank, however. The Bank has been lending for cities since 1972 when the Board approved the first urban operation, the Senegal Sites and Services Project. It has been involved in financing infrastructure and municipal development in 11,800 urban centers throughout the developing world, and it is the largest source of foreign assistance for cities. In Brazil alone, Bank supported assistance reaches 1,800 cities and towns. Lending for cities has proved to be one of the Bank's most successful sectors, Serageldin says.

"It has taken the Bank to the leading edge of thinking about cities and the environment. We promoted sites and services projects [providing water, sanitation, transport and electricity so that land could be settled] and upgrading of slums when both were unfashionable. But they caught on."

Ismail Serageldin

So the Bank, Serageldin argues, has a special responsibility to bring this experience to bear on the urban environment. The Bank's urban strategy has three elements: improving efficiency (for example, of municipal services and infrastructure); promoting equity (for example, ensuring that provision of water or sanitation is not disproportionately captured by the better off); and amenity.

As an architect, this last is close to Serageldin's heart. He grows more animated. "Amenity means quality of life. It involves more than the provision of basic services, it involves the availability of open space, expression of cultural identity, a sense of belonging. That gives cities character. That is what creates a sense of place."

He points to a copy of his book, *Space for Freedom: The Search for Architectural Excellence in Muslim Societies,* and continues: "A sense of place is a term of art. It relates to how you feel when you stand in a particular place. We are talking about the ability of people to express the best of their culture, in the layout of their urban

See ENVIRONMENT, *page 8*

Better Services At Less Cost From Local Governments

MEXICO, *from page 1*

help continue the program in those states and four others, Michoacan, Puebla, Veracruz (in the south) and Zacatecas (in central Mexico). And based on the earlier success, even more of the funds—70 percent instead of 50 percent—will go to local governments, which have been able to deliver better services at less cost than larger bureaucracies.

M. Iannacci

Andrea Silverman

"A local mayor and his citizens care a lot more about the proper building and maintenance of the town's water system than some distant state or federal agency," says Andrea Silverman, an institutional development specialist in the Bank's Latin America regional office. "This way, the people spending the money really care about the results."

Under the program, special municipal funds are set up, providing a pool of money to finance local projects. A municipal committee selects projects from proposals made by individual towns and villages—new windows and paint for the school, for example, or sewage lines into a poor neighborhood. The work is then managed by a second, smaller committee of townspeople. Projects average less than $50,000 and the local people themselves must put up 20 percent of the costs. Some communities can give money or materials; most provide free labor.

"This really builds on a tradition in Mexico of community labor for community projects," Silverman says. And having village residents work on their own roads and water systems—along with having helped plan and approve them—boosts the sense of local "ownership" in a project, she says.

This second decentralization program aims to help people who have benefited least from Mexico's recent economic recovery. Residents of these eight rural states—where most of the country's indigenous people live—make up less than a third of Mexico's population, but account for almost 70 percent of its extreme poor and more than half of the those who live without access to water. By funding almost 55,000 small infrastructure projects, the program will turn the people's own energy toward improving their lives.

Other components of the project will provide:

• Rural Water Supply. For potable water systems too expensive to qualify under the municipal funds program. The project will help state water agencies improve their management and engineering skills to oversee building—or rebuilding—about 1,300 rural water systems.

• Rural Roads Rehabilitation and Maintenance. Relies on both state and municipal agencies to improve some 15,600 kilometers of road, and provide for future maintenance.

• Income-Generating Projects. Supplies technical training and limited investment to jump—start pilot programs and small business opportunities in agriculture, forestry, agroindustry and other areas.

• Institutional Strengthening. Provides training and technical assistance to SEDESOL, the main federal agency for implementing, auditing and reviewing the projects in the overall program.□

Caribbean Information Center Opens in Jamaica

The World Bank is expanding its information outreach network with the opening this week of a Public Information Center (PIC) in Jamaica. The new facility—located in Kingston at the University of the West Indies, Mona campus—will allow easy access to a wide range of Bank documents and materials for users in all 15 of the Bank's Caribbean member countries.

The Center will serve as a repository of publicly available information from the Bank, including newly available operational documents on projects in the region, and will operate as a reference library and reading room. Academics, development experts, journalists, policy makers, non-governmental organizations and others will be able to use the Center's collection in person, or through inter-library lending at libraries across the Caribbean. Additionally, UWI libraries at St. Augustine in Trinidad and Tobago, and at Cavehill in Barbados, are to be repositories for the Bank's formal publication.

"The Center in Kingston will be the first of its type by virtue of the breadth of its collection and the fact that it is the first time the Bank has established such a partnership with a regional institution," says Van Pulley, the Bank's resident representative in Jamaica.

Bank Vice President for Latin America and the Caribbean S. Javed Burki—in Jamaica for a three-day official visit—opened the Center September 14 along with Sir Alister McIntyre, vice chancellor of the university.

The Caribbean center opens as part of the Bank's new policy on the disclosure of information, instituted last year. The policy significantly expanded the range of operational documents available to the public. Material available through the PICs includes information on project costs and financing, appraisal reports, environmental assessments and country economic and sector reports. Some documents are available free through the Internet.

"The expanded access to information will strengthen the Bank's links with all its development partners," said President Lewis Preston at the January, 1994 opening of the flagship PIC at the Bank's Washington headquarters. Like the Washington center, PICs in London, Paris and Tokyo carry operational documents for projects in all parts of the World.□

Guarantees To Become Normal In Bank Operations

GUARANTEES, *from page 1*

In an effort to encourage private capital flows to projects, the World Bank's Executive Directors last week approved more extensive use of the Bank's guarantee authority. The guarantees, which are to cover private lenders against these non-commercial risks, are designed to stimulate private financing.

"Many more projects would probably happen if these risks could be ameliorated," said Inder Sud, the Bank's director of cofinancing and financial advisory services. "This is to separate commercial risk from political risk. Investors are basically assured that their investment will not suffer because of political events or public-sector performance."

Sud added: "We feel there's a demand there."

Commercial and investment bankers concur that many projects would materialize more quickly, and at lower cost, if the Bank guaranteed government obligations.

The guarantees are also intended to "widen the range of countries that get private capital, and enhance capital flows for long-term investments rather than short-term and portfolio investments," Sud said.

Providing such guarantees actually was considered the Bank's principal role at the time of the Bretton Woods conference, which founded the Bank in 1944.

Over the years, however, guarantees have been used only sporadically. Guarantees were reintroduced in 1983 under a program to support private co-financing of Bank-financed projects. Since the program was revised in 1989 to provide partial guarantees, six guarantee operations have been approved.

Several factors have prompted the decision to expand guarantees now. The financing needs of developing countries far surpass the capacity of public sources; as this year's *World Development Report* indicates, infrastructure alone requires more than $200 billion a year. Bank borrowers are also turning increasingly to private sources. As Sud said, "the world has changed since the debt crisis" of the 1980s, when financial markets were closed to many Bank borrowers.

Although loans will remain the most important form of Bank support, guarantees are now intended to become a valuable complement that would be a catalyst for other financing. Indeed, the guarantees are envisioned as "a normal instrument of Bank operations rather than merely a cofinancing tool and a special program," according to Sud.

The Bank's guarantees differ from those provided by the Bank-affiliated Multilateral Investment Guarantee Agency, in that they cover lenders, not equity investors. Private sector projects are also supported by the Bank's International Finance Corporation, which provides debt and equity finance.

"The Bank's guarantee can usefully complement what the IFC and MIGA can provide," Sud said.

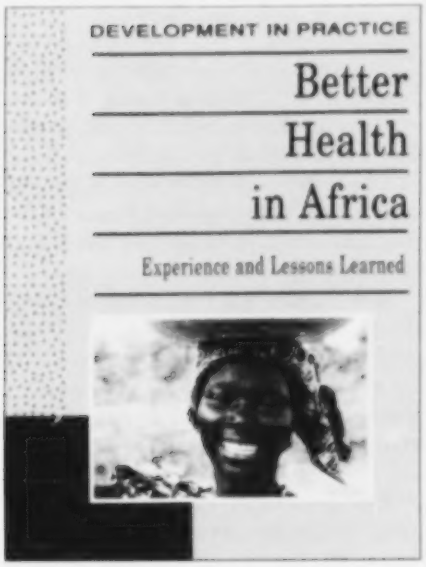
As is true for its loans, the Bank requires that beneficiary countries issue counter-guarantees for Bank guarantees. These entitle the Bank to repayment on demand by the beneficiary if the guarantee is triggered by the government's failure to meet its obligations. A counter-guarantee also demonstrates a government's commitment to projects.□

Embassy of Trinidad and Tobago

Laying the groundwork for private investment.

PUBLICATIONS

Big Improvements In African Health Possible At Small Cost, Report Says



Africans' health has improved dramatically during the last generation, despite the continent's economic woes and the continued, daunting challenges to the well-being of Africa's half billion people, a new World Bank study has found. Further improvements can be delivered at low cost and would boost economic development substantially, but "that will require major changes in health-care systems, which now generally fail to deliver adequate services," according to the report, *Better Health in Africa: Experience and Lessons Learned.*

Life expectancy has risen from 41 years in 1965 to 53 years in 1990, and infant mortality declined from 157 per 1,000 live births to 108. However, life expectancy is still a decade less than the average for all low-income countries, maternal mortality is twice as high as the average, and the rising incidence of communicable diseases such as AIDS, malaria and tuberculosis poses a serious social and economic threat.

Because much of Africa's health burden is caused by preventable or manageable diseases like malaria, respiratory infections, diphtheria and diarrheal diseases, improved preventive and primary health care can be delivered at an annual per capita cost of only $13. Provision of food, safe drinking water and sanitation are basics for improving health, but the biggest positive impact for children comes from enhancing women's education.

Africa's health problems also stem from poverty, poor management and other factors. An average of just $14 per person is spent on health, with a disproportionate amount spent in urban areas and on high-cost curative hospital care. The continent has a dearth of doctors and other health professionals, and many are poorly deployed. Many Africans, especially in rural areas, lack access to any decent care. Drug shortages exist in Sub-Saharan Africa due to inefficient supply methods. Many health-care facilities are poorly maintained. In addition, some donor programs have ignored countries' health priorities.

The Bank's report offers several prescriptions for bringing better health to Africa. Health policy planning is an essential first step. A strong government commitment to better nutrition, education and basic health services can improve health despite low per capita incomes, as the experience of China, Costa Rica and Sri Lanka has shown.

The report calls for reallocating resources from curative care to preventive and primary care in health centers, with more money channeled to rural areas and improved infrastructure management. It also recommends decentralizing health services, giving communities and households more control. Human resources play a key role: doctors and other health professionals should be better used, and collaboration with traditional healers should be fostered.

Policy changes have already yielded successes. Tanzania has surpassed targets for training new health personnel. Lesotho has increased health funding in the last decade by cutting military spending. Another model is Botswana, which has decentralized and introduced user fees for some services, and health has been rapidly improving.

Journalists may receive a free copy of the report by writing on company letterhead to: The World Bank, Marketing Unit, Rm. T-8054, Washington, D.C. 20433. Fax: (202)676-0579.□

World Bank

A shot in Africa's arm.

Development Agenda

Date	Event	Sponsor	Location	Telephone
SEPTEMBER				
19-21	Second Annual Conference on Environmentally Sustainable Development	World Bank	Washington	(202)473-5690*
26-30	Regional Conference on the Integration of Women in the Economic and Social Development of Latin America and the Caribbean	United Nations	Mar del Plata, Argentina	(54)51-814063
29-30	Bretton Woods Conference	World Bank/International Monetary Fund	Madrid	(202)473-1784*
OCTOBER				
1	Group of 24	World Bank/IMF	Madrid	(202)-473-1784*
2	Interim Committee	IMF	Madrid	(202)473-1784*
3	Development Committee	World Bank, IMF	Madrid	(202)473-1784*
4-6	Annual Meetings of the Board of Governors	World Bank	Madrid	(202)473-1784*
24-26	International Conference on Environmental Issues in Minerals and Energy Industry	Mining Engineers' Association of India	New Delhi	(91) 674 51224
24-27	Second International Conference on Carbon Dioxide Removal	Research Institute of Innovative Technology for the Earth	Kyoto, Japan	(81)6 376 2963
24-28	Annual Meeting: Consultative Group on International Agricultural Research (CGIAR)	World Bank	Washington	(202)473-8913*
NOVEMBER				
6-11	Third International Congress on Energy, Environment and Technological Innovation	Central University of Venezuela/ University of Rome "La Sapienza"	Caracas, Venezuela	(58-2)693-1103

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

People Plus Planning Make Cities

ENVIRONMENT, *from page 3*

spaces, the architecture of their monuments, and the character of their streets and public spaces. It's that something special."

What is needed today to achieve "that something special" is listening to the people or people-centered environmentalism. This is a fundamental lesson the Bank has learned from its borrowers. "Cities cannot function well if their residents are not involved in decision-making. It's simply beyond the power of any government to meet the awesome challenge of urban growth without actively engaging the full participation of its citizens."

But empowerment alone is not enough. It should be combined with planning that is people-centered. "The private sector won't solve everything, everywhere, by itself. The ruthless allocative efficiency of the market must be tempered by a caring and nurturing state. People must have a sense of belonging. Striking that balance can't be got out of a textbook. It requires skillful leaders who can adjust as they go along."

In the end, Serageldin says, the unique nature of cities—and the problems they pose—places them at the heart of development. "Development is like a tree. We make it grow by nurturing its roots, not by pulling on the branches. Cities are organic structures. Their institutions must be nurtured if the challenges of meeting the needs of the human side of the urban environment are to be met, if the promise of the cities is to be realized and their bounty is to spread." □

Conference on Environmentally Sustainable Development

The Second Annual World Bank Conference on Environmentally Sustainable Development, *The Human Face of Urban Environment*, will take place in Washington, D.C. on September 19-21.

Program correction: The inaugural session, featuring a speech by Henry Cisneros, U.S. Secretary of Housing and Urban Development, will start at 2:30 p.m. on September 19, not at 4 p.m.

Three associated events will also take place and will be open to journalists. September 22: Quality Design and Sustainable Built Environment; September 21-23: Forum on Sustainable Community Development; September 22-23: The Business of Sustainable Cities, Private /Public Partnerships for Creative, Technical and Institutional Solutions.

For more information contact Sarwat Hussain, Office of the Vice President for Sustainable Development, The World Bank, 1818 H St., N.W. Washington, D.C. 20433, Tel. 202-473-5690, Fax 202-473-3112.

Washington Press Advisory

World Bank Annual Environment Report

The World Bank will hold a press briefing to release its 1994 report on the environment, *Making Development Sustainable*. The report will contain highlights of the Bank's environmental work, particularly its record $2.4 billion lending for environmental projects in fiscal 1994.

Ismail Serageldin, vice president for Environmentally Sustainable Development, and Andrew Steer, director of the Environment Department, will brief the press on the report and the Bank's other environmental activities. Steer will be available for individual interviews on September 19 and 20.

The briefing will be Tuesday, September 20, at 4 p.m., in room 1050 of the Bank's "J" Building, 701 18th St., Washington, D.C.

Contact Leandro Coronel, tel., (202) 473-1788.

Privatization in Russia

There will be a press briefing to release the new World Bank book, *Russia: Creating Private Enterprises and Efficient Markets*, edited by Ira Lieberman and John Nellis.

The briefing will be on Thursday, September 22 at 11 a.m. in room G-3150, 1776 G St., N.W., Washington, D.C.

For more information, please contact Henri Bretaudeau, tel., (202)473-3412 or Amy Horng, tel., (202)473-1598.

WORLD BANK NEWS

Michael Prest, Editor
Cynthia Delgadillo, Production Assistant
Steve Hendrix, Reporter

World Bank News is published in English, French and German by the World Bank's External Affairs Department, Washington, D.C. 20433, U.S.A. Maps appearing in World Bank News are for the convenience of readers. The denominations used and the boundaries shown do not imply any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries. (ISSN 0254 6353) Telephone: (202) 473-9661.

The World Bank Group is the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). IBRD is the main lending arm of the World Bank. IDA is the World Bank affiliate that lends on concessional terms to the poorest countries. IFC finances private sector projects and advises businesses and governments on investment issues. MIGA promotes foreign direct investment through guarantees, policy advice, and promotional services.

WORLD BANK NEWS

Volume XIII, No. 35 September 22, 1994

LENDING

School Reforms Launched in Argentina

Argentina is moving to improve school systems that are wracked—after years of low and misdirected spending—by falling scores, rising dropout rates, low teacher morale and degenerating buildings.

Recent failures of the system are well documented: Half of students sampled in Buenos Aires scored 50 percent or lower on a Spanish proficiency test; 82 percent did that badly on a mathematics test; more than 40 percent of 13- to 18-year-old students are not enrolled in school; less than 5 percent of the education budget goes to teaching materials and the country's student-teacher ratios are the worst in the region.

In the face of these dismal facts, Argentina last year launched a broad, national plan to improve schools at all levels by strengthening curricula, adding years of compulsory education and giving more authority to the provinces. The World Bank is providing a $190 million loan to help governments carry out secondary

See **ARGENTINA**, *page 14*

PUBLICATIONS

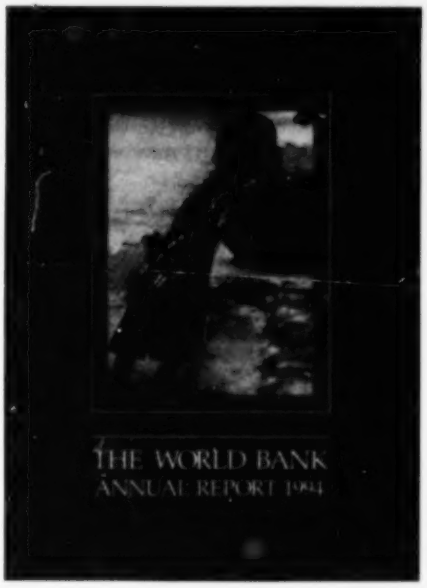
Bank Boosts Support For Private Sector and Environment

The World Bank Annual Report 1994 *is embargoed until 4.00 pm EDT (20.00 hours GMT), September 25. Information here about the MIGA and IFC Annual reports is not embargoed.*

World Bank Group support for the private sector and environmental protection in developing countries grew in fiscal year 1994, while backing for human resources development remained strong and progress is being made in implementing the poverty reduction strategy, annual reports from members of the group show.

Three members of the group—the International Bank for Reconstruction and Development (the World Bank), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA)—together generated about $25 billion of private investment in developing countries. That is about 10 percent of all private investment in the developing world.

See **ANNUAL REPORT**, *page 13*



Our special Annual Meetings Supplement contains 6 pages of information about the Bank and a meetings schedule . **6**

The 2nd Annual Environmentally Sustainable Development Conference opened this week to address the urban environment . **2**

Korea port expansions will ease crowding and environmental pressures. **12**

Development agenda, page 15

Lending roundup, page 16

Middle East conference, page 16

ESD CONFERENCE

New Approaches To Urban Environment and Economic Development Urged

New approaches are needed to meet today's urban challenges of poverty reduction, environmental protection and economic development, according to speakers opening the Second Annual Environmentally Sustainable Development Conference this week in Washington, D.C.

The three-day conference on sustainable development in cities addressed "a timely and appropriate topic because the world's population is becoming increasingly concentrated in urban areas," said opening speaker Bruce Alberts, president of the U.S. National Academy of Sciences. Nearly half the world's population already live in cities, but most population growth in future decades will be in urban areas, exacerbating poverty. By 2025, three quarters of the world's population will live in cities.

Bank President Lewis Preston forcefully confirmed the Bank's commitment to reducing urban poverty, which is an essential precondition for reducing urban environmental degradation. The Bank has increased by ten times its lending for environmental projects, he said. Five years ago, the Bank made $245 million in environmental loans; this year, it made $2.4 billion in such loans. It is also helping more than 50 countries develop Environmental Action Plans, and is playing a lead role in the Global Environment Facility.

While considerable attention has been paid to the "green agenda" of global warming, deforestation, resource depletion and biodiversity, especially since the 1992 Earth Summit, the "urban environmental agenda was considered a local problem," said Bank Vice President for Environmentally Sustainable Development Ismail Serageldin. This "brown agenda," which has been shunted to the margins, is one in which the poor, who are increasingly concentrated in cities, face the most severe and urgent environmental hazards: "dirty air and water which makes people sick in a few hours."

Serageldin raised six broad questions for the conference: Why is the challenge of the urban environment a human problem? Are cities sustainable? What is the future of cities? What policies and approaches have allowed some cities to be successful in managing environmental resources? What are the effective mixes of instruments? Is the issue of urban environmental governance a useful concept?

A goal for policymakers was to determine "what policies and approaches have allowed some cities to be successful in managing environmental resources."

Keynote speaker Henry Cisneros, the U.S. Secretary for Housing and Urban Development, challenged the divide between environmental protection and economic development. "Environmental problems have too often been perceived as luxurious concerns," he said. Cisneros reflected on the relationship between poverty, racial and ethnic segregation, and environmental neglect and deterioration. "Too frequently, those who are powerless and economically disadvantaged are victims" of environmental degradation.

Because environmental problems do not respect city lines or other geographical divisions, solutions must be developed regionally and globally, Cisneros said. Solutions are more likely to work if people are engaged in the process. "Empowering people at the community level must be part of any environmental strategy," he said. "Regional governance is vital, but local initiative is essential."

"The United States believes itself to be without classes," asserted Cisneros. However, with "spatial separations by race, income and class," the country is becoming a nation with groups "trapped in a permanent underclass...To empower these 'urban reservations,' ...jobs, training, education and child care are required, he said. "We must...transform our mentality from providing services to empowerment." Structured, ongoing fora are necessary to discuss these issues.

Maurice Strong, Secretary General of the 1992 Earth Summit in Rio de Janeiro, encouraged participants to think boldly. He emphasized the deepening deterioration in many urban areas but refused to be pessimistic. "The answer," he said, "surely lies in devising much more effective means of mobilizing the human resources of urban communities in the planning, development and management of their communities. This will require new institutional mechanisms and programs to enable people to acquire the skills needed at various levels to build sustainable communities and give them access to the information and the facilities required to play an active role in the process of building a sustainable basis for the future of their community."

Strong concluded: "Meeting the challenge will not be easy," particularly when all countries are preoccupied with many pressing problems. "Inertia is as powerful a force in human affairs as it is in the

See **ESD**, *page 16*

World Bank News thanks *ESD Conference News* for these stories.

Participants Debate Whether Fast-Growing Cities Will Outstrip Resources

"We are living with an urban explosion," said Mahbub ul-Haq, Special Advisor to the United Nations Development Programme, opening a lively debate that ranged from defining sustainable development and the nature of urban areas, to characterizing the scope and severity of urban environmental problems.

Challenging the "fuzziness" of the concept of sustainable development, Haq said "present needs" can be interpreted as "a quiet acceptance" of the status quo, or "a radical plea" for redistribution of global consumption. "Global sustainability without justice" in untenable. If the existing distribution of resources in unjust, why try to sustain it?

He asserted that the implicit dichotomy between poverty alleviation and preserving natural resources is actually a false one. "What must be sustained is human life," he said. "Preservation of natural resources is only a means." Population growth need not mean scarcity and inevitable poverty, Haq argued, saying, "It is time to give Malthus a decent reburial."

Lester Brown, founder of Worldwatch Institute, cited reasons for hope for the future of cities, particularly regarding energy and materials, but suggested that a less sanguine, Malthusian perspective may yet apply to food and water.

"The enormous urbanization of the last four decades has been underwritten by an enormous growth in food production," Brown said, asserting that food prices have fallen, and cities have benefitted at the expense of rural areas. During the last decade, however, growth in food production has slowed to 1 percent a year, compared with 3 percent during the prior 34 years, pushing down food consumption, particularly in Africa and the former Soviet Union (FSU).

While grain production has slowed and seafood harvests have leveled off, the demand for food - especially from China - is growing. As China moves into the world grain market, "this will lead to a reversal in the historic decline of world food prices," Brown said. "China's food, land and water scarcity will become everyone's scarcity."

Energy demands may pose less of a problem, as renewable forms of energy such as solar/thermal, photovoltaic and wind power come to replace oil and other nonrenewable, polluting types of energy, according to Brown. Declaring that "the throwaway society is non sustainable," Brown hailed the promise of recycling: nutrients in urban waste, as well as glass, paper and other materials, are already being recycled on a significant scale in cities from Shanghai to Camden, New Jersey.

Nevertheless, the "changing world food balance," in which "the urban poor will suffer," Brown said, is likely to impede continued rapid urbanization. William Alonso, a professor at the Center for Population Studies at Harvard University, strongly disagreed with the implication that urban growth might slow down. He said: "If there is a reversal of trade between cities and the countryside, it will not reduce urban growth."

Unlike many other conference participants, Alonso emphasized that major differences exist among cities. "London and Barcelona are not the same as Calcutta," he said. "Networks" of interdependent cities - which Pasqual Maragall, Mayor of Barcelona, said would become increasingly important - "will only be in the developed world," Alonso said.

The most pressing problems in cities in the FSU are pollution and housing. In megacities like Mexico City, San Paulo, and Calcutta, the needs are more basic. "Our task is to get the water in, the excrement out, and deal with problems like lead," Alonso said. "Without this, poverty-reduction and economic development won't work."

Reshaping the Cities of Tomorrow: Challenges and Opportunities

Peter Hall, Professor of Planning at The Bartlett School of Architecture and Plan-

See **CITIES**, *page 4*

M. Spilotro

From left: Lewis T. Preston, Henry Cisneros and Ismail Serageldin.

"What Is Sustainable Development As Applied To Human Settlements?"

CITIES, *from page 3*

ning, at University College London said the problem is how to develop workable strategic frameworks and plans for sustainable development.

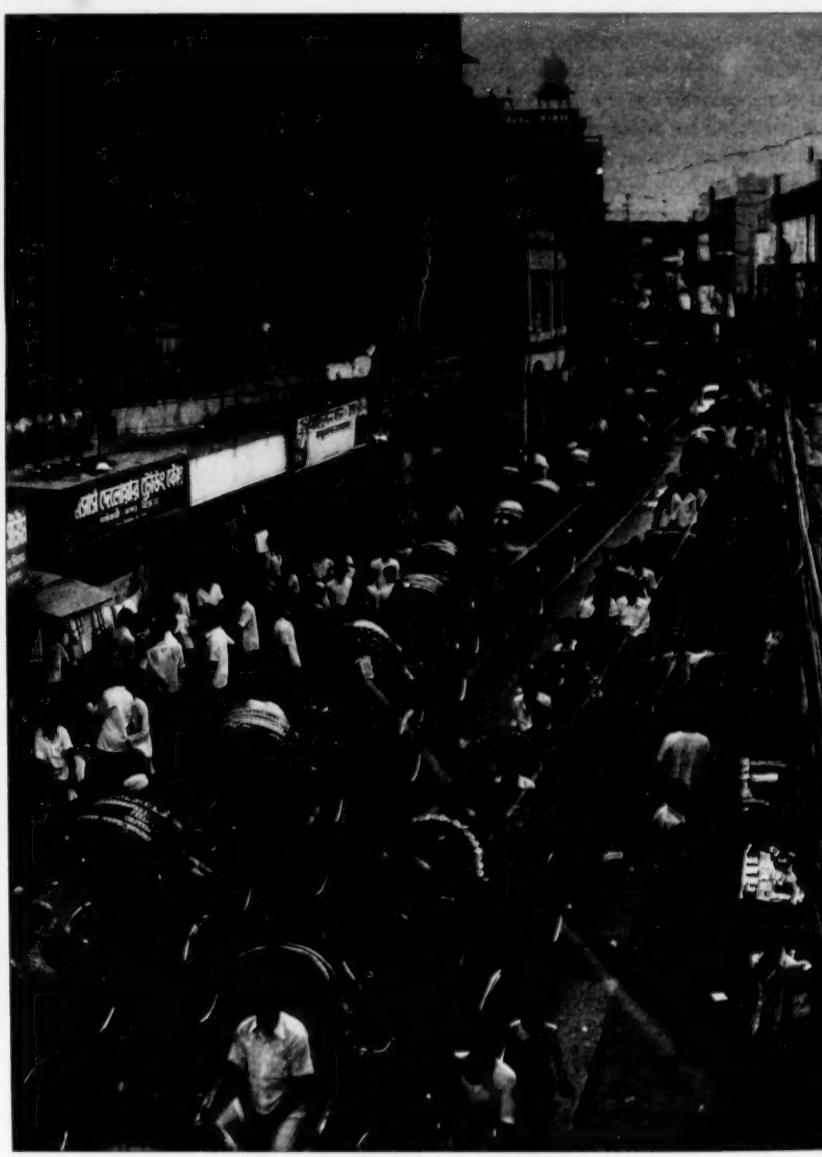
Much research has been done on the interface between land use and transportation in developed country cities. Hall posed the question: How much of this research might apply to the developing world, particularly to large, middle-income cities? These cities share some common features but also have differences. They tend to have moderately high rates of car ownership, which resembles patterns in the 1960s in the developed world. Most of these cities have invested in rapid transport schemes during the last 20 years. And most have decentralized people, and to some extent jobs, into wide suburban belts. In fact, topics for future research in these two types of cities are more similar than might appear at first glance.

"We are running around trying to get new answers to old questions," suggested Jorge Wilheim, Deputy Secretary-General of Habitat II. He listed "the right question" as: What is sustainable development as applied to human settlements? How does the economy grow, and how does it affect urban structure and growth? What do we mean by the term "quality of life," and what does environment have to do with it? Who builds cities?

Ryokichi Hirono, Professor of Economics at Seikei University in Tokyo, was concerned that we not assume continuing economic growth of cities. He called for experts to identify technical and cost-effective solutions, and for real political commitment to implementing them. He gave examples of the relevance of the Asian as well as European, American, and Australian experiences in dealing with urban environmental problems through government-private sector partnerships.

This session, which posed fundamental questions about the sustainability of cities, framed the debate in two schools of thought. One might be trying to keep urban areas from consuming more land and resources, or to keep air pollution from getting worse, which maintains the status quo, which in turn translates into "sustainability"

The other way of thinking moves beyond merely trying to contain the problems to actually improving the urban environment and creating even better places to live. This session raised the stakes issuing a challenge to develop a more positive definition of "sustainability." □



Vicious

Parallel Sessions Debate Solutions To Urban Development Problems

The Risks of Exposure: The Challenge of Urban Air Pollution

Major health and environmental effects result from the release into the atmosphere of sulphur dioxide, particulate matter, nitrogen oxides, carbon monoxide, lead and other toxic substances, and photochemical oxidants. Toxic emissions are not just a technical but also a social and economic issue. Indoor air pollution remains a major source of pollution, particularly among the world's poorest people. Combatting this requires addressing poverty and focusing on fuels, proper design and construction of appliances and housing, and creating extensive awareness of the problem.

Protecting People from Hazards: Municipal and Industrial Solid Waste

Mismanagement of human wastes, pathological medical wastes, and hazardous chemicals is a leading cause of disease and environmental degradation in developing countries. Solid waste prevention, minimization, and reuse were the watchwords. Presenters agreed that sustainable solid waste systems require, first, that cities generate as little waste as possible and, second, that cities segregate recyclable, hazardous and general wastes at source for accountable and cost-effective handling. "Pollution prevention pays."

Sharing and Conserving Common Resources: Water Supply and Water Resources

Growing cities throughout the developing world increasingly face a water supply and pollution crisis, and a new "water ethic" is needed. Case studies from Brazil, Mexico, Turkey and eight megacities in Asia confirm that new, more comprehensive, financially sound and environmentally balanced water resources policies are needed to provide urban dwellers with safe drinking water and a healthy environment and, at the same time, meet the needs of industries and food production.

Urban Waste Water and Sanitation: Responding to Household and Community Demand

Appropriate and responsive public institutions are vital to successful sanitation initiatives and must leverage resources against the private sector whenever possible, as was evident in the experiences of representatives from Beijing, Karachi, Ouagadougou, and Santiago. The case studies presented further show that active participation of community-base organizations and individual households is essential for the delivery of low-cost sewerage services in low-income settlements.

Health, Poverty and Environment: The Nexus

The sustainability of urban existence for many city-dwellers in developing countries is threatened by a crisis in the quality of life that involves a complex interaction among poverty, environment and health. "Invisible" environmental problems of poverty itself are greater than visible problems such as air and water pollution.

Environmentally associated health risks differ at different stages of the life cycle: an adequate sanitary environment is particularly important in childhood, and socioeconomic and

See **URBAN**, *page 14*

World Bank

In the trenches.

The World Bank Group: An Introduction

The International Bank for Reconstruction and Development (IBRD), frequently called the "World Bank," was conceived in July 1944 at the United Nations Monetary and Financial Conference in Bretton Woods, New Hampshire, U.S.A. The World Bank opened for business on June 25, 1946.

Lewis T. Preston

The principle on which the Bank was founded was that many countries would be short of foreign exchange for reconstruction and development, but would be insufficiently creditworthy to meet all their needs by borrowing commercially. As an official multilateral institution whose share capital was owned by countries in proportion to their economic size, the Bank would be able to intermediate by borrowing on world markets and lending more cheaply than commercial banks. It would also be able to exercise sound judgment about which projects to help finance.

The goal of the World Bank is to promote economic development that benefits poor people in developing countries. The World Bank provides loans to developing countries to help reduce poverty and to finance investments that contribute to economic growth. Investments include roads, power plants, schools, and irrigation networks, as well as activities like agricultural extension services, training for teachers and nutrition-improvement programs for children and pregnant women. Some World Bank loans finance changes in the structure of countries' economies to make them more stable, efficient, and market-oriented. The World Bank also provides "technical assistance," or expert advice, to help governments make specific sectors of their economies more efficient and relevant to national development goals.

The first loans approved by the World Bank helped finance the reconstruction of the war-ravaged economies of Western Europe. Today, the World Bank lends to the developing countries of Africa, Asia, Latin America and the Caribbean, North Africa, the Middle East and Europe.

The World Bank operates under the authority of a Board of Governors. Each of the World Bank's 178 member countries is represented by one governor, who is usually a ministerial-level government official. The Board of Governors delegates its authority to a smaller group of representatives, the Board of Executive Directors, which is based in Washington. The Board of Executive Directors is responsible for decisions on policies affecting the World Bank's operations and for the overall approval of all loans. The World Bank's president is the chairman of the Board of Executive Directors.

The World Bank has three affiliated institutions: the International Development Association (IDA), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). The headquarters of the World Bank and its affiliates are in Washington, D.C.

IBRD: The International Bank for Reconstruction and Development has 178 member countries as of August 1994.

The interest on World Bank loans to developing countries changes every six months. The current rate is 7.10 percent. Loans generally have a five-year grace period and must be repaid during periods ranging from 15 to 20 years. In fiscal 1994, which ended on June 30, 1994, the IBRD approved loans totaling $14.2 billion for 124 economic development projects and programs designed to restructure national economies in 52 countries. Some of the money that the IBRD lends to developing countries comes from contributions from the insti-tution's member countries. But the majority comes from bonds issued in world financial markets.

UNICEF/A. Graciano

Safe, public water in Bolivia.

See WORLD BANK, page 7

The World Bank and Its Affiliates

WORLD BANK, *from page 6*

IDA: The International Development Association, established in 1960, has 157 member countries as of August 1994. The World Bank affiliate provides no-interest loans to the world's poorest countries. Only countries with annual per capita incomes of less than $1,345 can borrow from IDA. However, most of IDA's loans are provided to countries with annual per capita incomes of $835 or less. IDA loans, which are known as "credits," have a 10-year grace period and must be repaid in 35 or 40 years (according to the borrowing country's creditworthiness). In fiscal 1994, IDA approved credits totaling $6.6 billion for 104 development projects and economic restructuring programs in 48 countries. The money that IDA lends comes from contributions from wealthier nations, an occasional contribution from the profits made by the IBRD, and repayments of IDA credits. Although legally separate from the World Bank, IDA shares the World Bank's staff and facilities.

IFC: The International Finance Corporation, established in 1956, has 161 member countries as of August 1994. It promotes economic growth through the private sector. Unlike the IBRD, it lends without government guarantees. The IFC may also take equity positions in companies to which it lends, play the role of catalyst to other investors from the private sector, and work to develop capital markets in developing countries. In fiscal 1994, this World Bank affiliate approved financing of $2.5 billion for its own account in 231 projects and other activities carried out by the private sector.

MIGA: The Multilateral Investment Guarantee Agency, established in 1988, has 122 member countries as of August 1994. This affiliate promotes private investment in developing countries. It provides investment guarantees to protect investors from non-commercial risk. □

Education, a building block of development.

IDA and Development

The International Development Association (IDA), established in 1960, is the World Bank's concessional lending affiliate.

IDA's mandate has always been to channel assistance to low-income countries for development. Over the years, IDA has provided capital for investments in all sectors of economic activity. During the 1980s, greater emphasis was placed on economic and institutional reform and aid coordination. In the 1990s, IDA will sharpen its focus on reducing poverty and on increasing its effectiveness in this area.

The Poorest Countries

IDA was founded to help low-income countries which could not afford World Bank loans meet the foreign exchange costs of imports of goods such as industrial machinery, spare parts, fertilizers and pesticides which are essential for economic development.

While the objectives of promoting sustainable development and reducing poverty are constant in principle, the ways of reaching them may vary in practice. As the needs of developing countries have changed so has IDA lending. In the 1960s IDA financed mainly infrastructure projects. For example, IDA credits helped to finance irrigation and drainage projects in India and Pakistan where greater agricultural output was vitally needed to keep pace with growing populations. The Association also supported construction of highways and roads in Latin America, financed municipal water supply systems in cities such as Amman and Taipei, and helped build power plants and ports in other developing countries.

The poverty reduction strategy introduced in the 1970s expanded the range of investments by placing more emphasis on programs which more directly benefitted the poor. During this period, IDA greatly increased its support for agriculture, rural development and human resource development.

But low-income countries suffered particularly from the difficult economic conditions of the 1980s. They were buffeted by low commodity prices, slower growth in world trade, debt and high real interest rates, and a fall in per capita terms in official development assistance from industrial countries. Economic policy in many developing countries was also inadequate.

At the request of donors and recipients, IDA responded by becoming much more involved in economic policy change and institutional reform. Structural adjustment lending was introduced to help countries reorient their economic policies to those that would encourage more rapid economic growth.

The great majority of IDA credits are extended for specific investments, but today about one-quarter of IDA lending supports structural reform programs.

IDA's Evolving Role

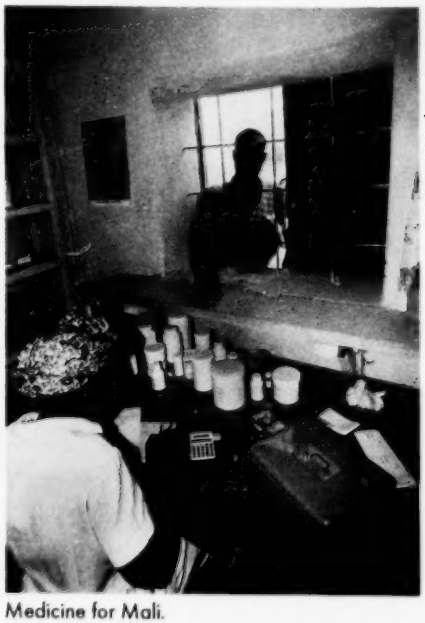
IDA has taken an active role in helping governments undertaking structural adjustment to protect and expand social and environmental programs. It supports rural development programs and projects which aim to increase agricultural productivity and ensure adequate food supplies. IDA also finances projects that give special attention to improving women's incomes and status in their communities. The Association has markedly increased its support for population, health and nutrition projects.

Environmental concerns have been integrated into all aspects of IDA's operations. The Association is helping borrowers develop their own Environmental Action Plans to identify the policy changes and investments that are required for environmentally sustainable development.

Two vital contributions that IDA makes to economic development in low-income countries are the funds it mobilizes in support of countries' development programs and the role it plays in coordinating the use of resources by borrowers.

IDA is the largest single source of multilateral concessional funds. Its annual net disbursements of $4-5 billion are about 25 percent of net concessio..al multilateral disbursements, and 8 percent of net Official Development Assistance. The Association also helps mobilize and coordinate aid from other multilateral organizations and donor countries.

IDA's involvement is often a catalyst for other bilateral aid donors and regional development banks to participate in providing assistance. On average, for every dollar IDA commits, 50 cents of cofinancing is mobilized. The Association can provide timely support for a country's adjustment effort.



C. Cornemark/World Bank

Medicine for Mali.

Growing Demand

The list of countries in need of IDA's resources continues to grow. Newly independent nations, particularly the former republics of the Soviet Union, are rapidly joining the multilateral financial system. A number of low-income countries have become eligible for IDA support, and most other low-income countries are continuing with, or embarking on, economic reform programs with support from IDA.□

Glossary of Major Groups

Group of Seven

The Group of Seven consists of the major industrial countries whose heads of state or government meet at economic summits. The members are Canada, France, Germany, Italy, Japan, United Kingdom and the United States.

Group of 10

Under the IMF's General Arrangements to Borrow, established in 1962, 10 industrial members of the IMF (Switzerland joined in the spring of 1984 but the Group retains its numerical designation) stand ready to lend their currencies to the IMF up to specified amounts when supplementary resources are needed. The group consists of finance ministers of Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the U.K. and the United States.

Group of 24

A group of finance ministers from 24 developing country members of the Bank and Fund. The African, Asian, and Latin American and Caribbean country groupings in the Group of 77 (see below) choose eight representatives each to the G-24. Formed in 1972, the G-24 meets at regular intervals, usually in conjunction with Bank/IMF ministerial meetings, to determine the developing countries' positions for these meetings and related matters. The Group of 24 is the organ of the Group of 77 that formulates positions on developmental and monetary issues.

Group of 77

A grouping of developing countries, formed in 1967, whose numerical designation has persisted, although its membership has increased to 129 countries. The group functions as a caucus as well as the negotiating arm of the developing countries.

Development Committee

Formally, the "Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries." Established in October 1974, the Committee currently consists of 24 members, generally ministers of finance, appointed in turn for successive periods of two years by one of the countries or groups of countries that designates a member of the Bank's or IMF's Board of Executive Directors. The Committee is required to advise and report to the Boards of Governors of the Bank and the IMF on all aspects of the broad question of the transfer of real resources to developing countries.

Interim Committee

The Interim Committee, known formally as the "Interim Committee of the Boards of Governors on the International Monetary System," was established in October 1974 to advise the Board of Governors of the IMF on supervising the management and adaptation of the international monetary system as well as dealing with disturbances that might threaten the system. The Committee, whose members are governors of the IMF, Ministers, or others of comparable rank, reflects the composition of the Fund's Executive Board: each member country that appoints, and each group that elects, an Executive Director, appoints a member of the Committee, which has 24 members. □

Media Contact List

For Questions About...	*Contact*	*Telephone**
General Institutional Issues	Tim Cullen, Chief Spokesman	473-1782
Debt, Trade, Economics,	Bill Brannigan John Mitchell	473-1784 473-2475
Major Broadcasting Organizations	Marie-Christine Bonzom	473-0697
Major Print News Organizations	Alan Drattell Lesley Simmons Merrell Tuck-Primdhal	473-1787 473-1785 473-9516
Environmentally Sustainable Development, Agriculture, Transportation, Water, and Urban Development	Leandro Coronel Hugh Blackman	473-1788 473-2441
Human Resources Development, Poverty and Operations Policy	John Mitchell Ellen Tillier	473-2475 473-1790
Finance, Private Sector Development, Industry and Energy	Eriko Ishikawa	473-1795
Africa	Eric Chinje	473-4467
East Asia and Pacific	Peter Stephens	458-0344
South Asia	Pastor Sison	458-1423
Europe and Central Asia	Jan Pakulski	473-1797
Latin America and the Caribbean	Ciro Gamarra Antonio Pimenta-Neves	473-8721
Middle East and North Africa	Abdallah Bouhabib Jeannie Yamine	473-4784 473-2318

**All numbers are in area code 202 in the U.S.A.*

IBRD Member Countries' Relative Contribution and Voting Power

Member	% of Total Subscriptions	% of Voting Power
Afghanistan	.02	.04
Albania	.06	.07
Algeria	.65	.64
Angola	.19	.20
Antigua and Barbuda	.02	.04
Argentina	.70	.70
Armenia	.08	.09
Australia	1.51	1.48
Austria	.77	.77
Azerbaijan	.06	.08
Bahamas, The	.07	.09
Bahrain	.08	.09
Bangladesh	.34	.35
Barbados	.07	.08
Belarus	.13	.14
Belgium	2.03	1.98
Belize	.02	.04
Benin	.03	.05
Bhutan	.03	.05
Bolivia	.07	.08
Botswana	.04	.06
Brazil	1.74	1.71
Bulgaria	.36	.37
Burkina Faso	.03	.05
Burundi	.03	.04
Cambodia	.01	.03
Cameroon	.06	.08
Canada	3.13	3.05
Cape Verde	.04	.05
Central African Republic	.03	.05
Chad	.03	.05
Chile	.48	.49
China	3.13	3.05
Colombia	.44	.45
Comoros	.02	.04
Congo	.04	.05
Costa Rica	.02	.03
Cote d'Ivoire	.18	.19
Croatia	.09	.10
Cyprus	.10	.12
Czech Republic	.44	.44
Denmark	.72	.71
Djibouti	.02	.04
Dominica	.02	.04
Dominican Republic	.08	.10
Ecuador	.19	.20
Egypt, Arab Republic of	.50	.50
El Salvador	.01	.03
Equatorial Guinea	.03	.04
Eritrea	.02	.04
Estonia	.04	.05
Ethiopia	.07	.08
Fiji	.05	.07
Finland	.60	.60
France	4.85	4.72
Gabon	.04	.05
Gambia, The	.02	.04
Georgia	.11	.12
Germany	5.06	4.92
Ghana	.06	.07
Greece	.07	.08
Grenada	.04	.05
Guatemala	.08	.09
Guinea	.06	.07
Guinea-Bissau	.02	.04
Guyana	.07	.09
Haiti	.04	.06
Honduras	.03	.04
Hungary	.56	.56
Iceland	.09	.10
India	3.13	3.05
Indonesia	1.05	1.03
Iran, Islamic Republic of	1.66	1.62
Iraq	.20	.21
Ireland	.37	.37
Israel	.33	.34
Italy	3.13	3.05
Jamaica	.18	.19
Japan	6.55	6.37
Jordan	.10	.11
Kazakhstan	.12	.13
Kenya	.17	.18
Kiribati	.02	.03
Korea, Republic of	.65	.65
Kuwait	.93	.92
Kyrgyz Republic	.04	.06
Lao People's Dem. Rep.	.01	.02
Latvia	.05	.07
Lebanon	.02	.04
Lesotho	.03	.04
Liberia	.03	.05
Libya	.55	.55
Lithuania	.06	.07
Luxembourg	.12	.13
Macedonia FYR	.02	.03
Madagascar	.10	.11
Malawi	.08	.09
Malaysia	.58	.58
Maldives	.03	.05
Mali	.05	.06
Malta	.08	.09
Marshall Islands	.02	.03
Mauritania	.04	.05
Mauritius	.09	.10
Mexico	1.31	1.29
Micronesia	.03	.05
Moldova	.10	.11
Mongolia	.03	.05
Morocco	.20	.21
Mozambique	.04	.05
Myanmar	.17	.19
Namibia	.06	.07
Nepal	.07	.08
Netherlands	2.48	2.42
New Zealand	.51	.51
Nicaragua	.04	.06
Niger	.03	.06
Nigeria	.50	.50
Norway	.70	.69
Oman	.11	.12
Pakistan	.65	.65
Panama	.02	.03
Papua New Guinea	.05	.07
Paraguay	.05	.06
Peru	.21	.22
Philippines	.48	.48
Poland	.76	.76
Portugal	.38	.39
Qatar	.08	.09
Romania	.28	.29
Russian Federation	3.13	3.05
Rwanda	.04	.06
St. Kitts and Nevis	.02	.04
St. Lucia	.04	.05
St. Vincent	.02	.04
Sao Tome and Principe	.02	.04
Saudi Arabia	3.13	3.05
Senegal	.08	.10
Seychelles	.02	.03
Sierra Leone	.03	.04
Singapore	.02	.04
Slovak Republic	.13	.14
Slovenia	.09	.10
Solomon Islands	.02	.04
Somalia	.04	.05
South Africa	.94	.93
Spain	1.66	1.62
Sri Lanka	.27	.28
Sudan	.06	.07
Suriname	.03	.04
Swaziland	.03	.05
Sweden	1.05	1.03
Switzerland	1.86	1.82
Syrian Arab Republic	.09	.10
Tajikistan	.07	.09
Tanzania	.05	.07
Thailand	.44	.45
Togo	.04	.06
Tonga	.02	.04
Trinidad and Tobago	.10	.12
Tunisia	.05	.07
Turkey	.52	.52
Turkmenistan	.04	.05
Uganda	.04	.06
Ukraine	.76	.76
United Arab Emirates	.17	.18
United Kingdom	4.85	4.72
United States	17.53	17.01
Uruguay	.11	.12
Uzbekistan	.10	.11
Vanuatu	.04	.06
Venezuela	.80	.79
Viet Nam	.04	.05
Western Samoa	.02	.04
Yemen, Republic of	.09	.10
Zaire	.18	.20
Zambia	.11	.12
Zimbabwe	.23	.24
Total	**100.00**	**100.00**

Annual Meetings Tentative Schedule of Events*

Tuesday, September 27

3:30 p.m.	PRESS BRIEFING: Regional Issues: Latin America-Caribbean; S. Javed Burki Regional Vice-President, World Bank

Wednesday, September 28

11 a.m.	PRESS CONFERENCE

Thursday, September 29

9 a.m.	PRESS CONFERENCE
10:45 a.m.	50 Years After Bretton Woods: The Future of the IMF and World Bank

Friday, September 30

10 a.m.	50 Years After Bretton Woods: The Future of the IMF and World Bank

Saturday, October 1

9:30 a.m.	Group of 24 Ministers
11 a.m.	GENERAL PRESS CONFERENCE: Lewis T. Preston,President, World Bank
Noon	Seminar: *World Develoment Report 1994: Infrastructure and Development*
1 p.m.	Seminar: Promoting Infrastructure Development; The World Bank Approach
T.B.A.	PRESS CONFERENCE: Group of 10 Ministers

Sunday, October 2

8 a.m.	Group of 10 Ministers
9:45 a.m.	PRESS BRIEFING: Regional Issues: Middle East-North Africa; Caio Koch-Weser, Regional Vice-President, World Bank
10 a.m.	Interim Committee Meeting
12:15 p.m.	Seminar: Transition to Market Economy
T.B.A.	PRESS CONFERENCE: Chairman, Interim Committee Managing Director, IMF

Monday, October 3

9:30 a.m.	Development Committee
Noon	Seminar: Averting the Old Age Crisis
5 p.m.	Seminar: Economy-wide Policies and the Environment
T.B.A.	PRESS CONFERENCE: Chairman, Development Committee President, World Bank Managing Director, IMF

Tuesday, October 4

10:30 a.m.	Opening Ceremonies
3:30 p.m.	Annual Discussions

Wednesday, October 5

10 a.m.	Annual Discussions
3:30 p.m.	Annual Discussions

Thursday, October 6

7 a.m.	PRESS BREAKFAST
8 a.m.	PRESS CONFERENCE: Lewis T. Preston, President, World Bank
10 a.m.	Annual Discussions
11 a.m. (tent.)	Closing Ceremonies

* Most of these events will take place at Campo de Las Naciones, Madrid.

LENDING

Korea Plans Major Improvements To Ports

Freighters, for all the time they spend at the mercy of capricious seas, depend on precision scheduling and rapid cargo handling while in port. Delays can drive up costs and clog the transportation networks that are vital to economic growth.

Even in a rapid-paced economy like South Korea's—where per-capita incomes rose 15-fold in the past 30 years—overburdened ports can act as a drag on further growth. At Pusan, one of the largest container ports in the world, ships sometimes have to wait two days for their time at the wharf. And the heavy use of out-dated facilities degrades coastal waters with untreated ship wastes and other pollution.

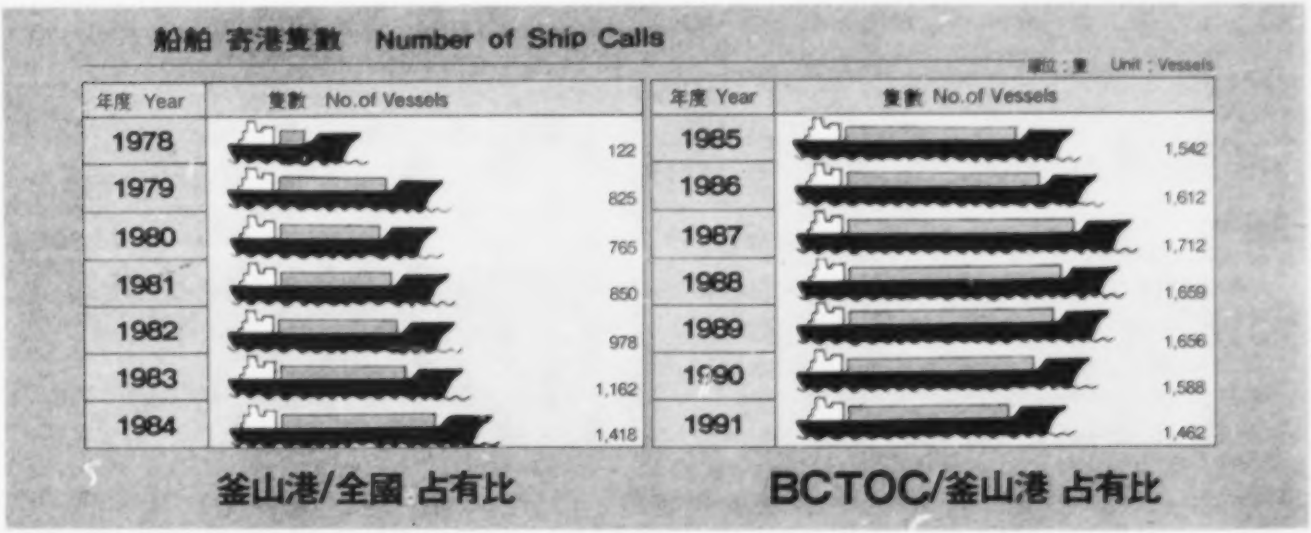
The Korean government, with help from a $100 million World Bank loan approved September 15, plans major improvements to bring port facilities in line with booming traffic volumes, and to reduce both coastal and urban pollution. And the project has been designed—sometimes at added expense—to draw port and port-related development away from residential areas.

"Ten years ago, projects did not focus on such issues as resettlement and protecting the environment to the same degree," says Lance Morrell, the Bank's task manager for the project. "It is a sign of the times that this project is being undertaken at this later and more expensive juncture, because of the strict adherence to environmental and resettlement guidelines which the government has adopted."

At Korea's two largest ports, Pusan and Inchon, rapid growth in traffic and container volume caused congestion that cost an estimated $6.25 billion in direct losses in 1992, and perhaps ten times that much in indirect losses (passed on as higher costs for Korea-bound cargo). And pollution has worsened in Pusan because trucks carrying timber and marine cargo must travel through the city from plants as far as 10 kilometers from the docks.

To improve the ports and help the environment the project includes:

- Construction of the Port of Dadaepo at the entrance to Dadaepo Bay. The port/industrial complex will accommodate about 40 percent of the City of Pusan's timber processing. The added expense of locating the new facility in deeper water will ensure that polluting industries locate away from residential areas.
- Ship waste disposal facilities will be built to collect, store, treat and dispose of freighters' liquid wastes, garbage and sewage. Almost a quarter of a million coastal vessels a year will have access to this cleaning and, later, recycling facility.
- Vessel traffic management systems will provide better monitoring, regulation and control of the many ships using the ports at Pusan and Inchon/Asan.
- Development of the Phase-IV Container Terminal will provide more space to store and process containers in and out of the port. On-site processing will eliminating the need for almost all the off-dock facilities scattered through the city, and reduce truck traffic and pollution.
- Technical assistance and training will boost not only project engineering, but also a comprehensive program for marine monitoring. The Korea Ocean Research and Development Institute will be one of the main beneficiaries, and port staff will receive training in environmental protection. □



Busan Container Terminal Operation Corporation

NGO Involvement In Bank Projects Grows Rapidly

ANNUAL REPORT, *from page 1*

Below are highlights from their annual reports.

World Bank Annual Report 1994

Total commitments by the World Bank declined from $23.7 billion to $20.8 billion. New IBRD commitments were $14.2 billion, compared with $16.9 billion in the previous fiscal year, while IDA commitments were $6.6 billion against $6.8 billion. Net income for the IBRD was $1.05 billion. The number of projects approved was 228 compared with 245 in FY93.

One of the main reasons for the fall in lending was record private flows to developing countries. These flows reached $113 billion in calendar 1993. Bank adjustment lending fell from 17 percent to 12 percent of the total, partly because private capital was more available and partly because, in Latin America for example, the transition from adjustment to investment lending is well underway.

Disbursements—the amount lent—by the Bank and IDA totalled about $16 billion compared with $17.9 billion in FY93. Net disbursements—disbursements less charges and repayments—by the Bank and IDA combined were $4.38 billion against $6.91 billion. The Bank's negative net disbursements of $731 million were partly caused by some borrowers repaying loans early.

The IBRD expects lending in the current fiscal year to be between $15.5 billion and $17.5 billion. IDA lending is expected to rise during FY95 to $7.5 billion.

China was the biggest borrower from the IBRD ($2.14 billion), followed by Mexico ($1.53 billion) and Russia ($1.52 billion). The biggest borrower from IDA was also China ($925 million), with India ($835 million) and Bangladesh ($597 million) being the next largest recipients.

A progress report on the Bank's poverty reduction strategy identified several challenges, including integrating poverty-reduction into country-assistance plans, completing poverty assessments for all borrowers, and developing poverty-monitoring systems.

The strategy will be further strengthened by improvements to the performance of the loan portfolio. Of 87 measures identified in 1993, 84 either were implemented in FY94 or were close to being so. At the same time, involvement by non-governmental organizations jumped from 30 percent to 50 percent of Bank projects. Primary stakeholders such as people affected by projects participated in 42 percent of Bank projects (96 projects).

Loans that specifically target the poor made up about 25 percent of Bank investment lending and more than 40 percent of IDA investment lending—about the same as in FY93. Lending for human resources—education, social sectors, and population, health and nutrition—was slightly down as a proportion at 15 percent of the total.

But lending for environmentally sustainable development* was a record $2.4 billion, up by $400 million from FY93, for 25 projects. Almost half of all Bank lending supported environmentally sustainable development. Today the Bank is carrying out 118 environmental projects, representing $9 billion in loans and credits, and has about 300 environmental staff.

Nevertheless, there is an unfinished agenda: ensuring that environmental projects continue to perform well; expanding the scope of environmental assessments (EAs have been completed for most IDA borrowers and a number of other countries); focusing on the social dimensions; mainstreaming global environmental concerns into the Bank's regular operations; and leveraging private initiatives with NGOs, the IFC and MIGA.

IFC Annual Report 1994

Investments approved by the IFC rose by 15 percent in FY94 to a record $2.5 billion, and the number of projects approved increased by 25 percent to 231 in 65 countries. The corporation's net income was also an all-time high of $258 million.

Equity and quasi-equity investments made up $719 million or 29 percent of the total, while loan syndication approvals came to $1.7 billion. On average, for every $1 that the IFC invested, $5.43 came from other sources.

Infrastructure investment was a strong growth area. IFC investment approvals for infrastructure rose by 58 percent to $599 million, while the corporation will also provide $731 million in loans syndicated with commercial banks. The total cost of all these infrastructure projects is around $5.4 billion.

Capital market investments—such as helping small businesses or taking stakes in investment institutions—leaped by 66 percent to $579 million, and the corporation also created a number of investment funds and asset management companies.

Asia and Latin America were the two biggest recipients, accounting for $605 million and $815 million of approvals respectively.

MIGA Annual Report 1994

MIGA's membership grew by 14 to 121 countries, and eight countries signed the MIGA Convention, bringing the total to 147. The agency issued a record 38 contracts for a combined maximum coverage of $373 million. The comparable FY93 figures were 27 contracts totalling $374 million.

The FY94 contracts cover investments in 13 host countries. They will facilitate aggregate investments of $1.3 billion and create an estimated 7,800 jobs. Five commitment letters involving prospective coverage of an additional $167 million were issued.

MIGA passed several milestones in FY94: The agency signed its 100th contract; total contingent liabilities exceeded $1 billion; and the 1,500th preliminary application for coverage was received.□

* See also *Making Development Sustainable, The World Bank Group and the Environment, Fiscal 1994*, published this week.

Argentina Devolves More Authority To Provinces

ARGENTINA, *from page 1*

school reforms and take up new responsibilities in seven poor provinces, Córdoba, La Pampa, Medoza, Misiones, Neuquén, Rio Negro and Santa Fé. The Bank project will also assist policy and supervisory activities at the national level.

"It makes sense to have more authority at the provincial level," says Guiomar De Mello, an education specialist in the Bank's Latin American region. "The provinces are closer to the local communities and schools. But for thenational government, decentralization is not just passing on the schools and washing their hands. Both levels have a role and need to be effective."

The project, approved September 15, would improve both the provincial secondary schools and national education administration in these three ways:

Quality. The project will fund almost $85 million—including federal and provincial contributions—in in-service training for teachers and administrators, curriculum development and systems to guarantee availability of textbooks and other teaching materials. The project will finance more than 3.5 million textbooks, 2,000 school libraries, 5,000 teacher guides and numerous maps, charts and dictionaries. Teachers will update their skills in the basics, as well as learn new techniques, including the use of computers.

Institutions. The project will help streamline the national education ministry and strengthen it for new roles in curriculum development, information and student assessment. In the seven provinces, education agencies will get financial help and training for new budget and management duties.

Infrastructure. Almost a third of the project will go toward building, or rebuilding, education infrastructure such as schools and administration buildings. The plan will construct about 20 new schools and rehabilitate about 130 deprived secondary schools in both urban and rural areas. Additionally, some 40 schools will be expanded and five already underway would be finished. The project will build central administrative facilities in two provinces, rehabilitate three more and provide for many new regional and local offices to strengthen decentralization within the provinces. □

Urban Discussion Highlights Health Issues

URBAN, *from page 5*

social opportunity are crucial in adulthood. Health risks also differ from city to city.

Supporting Municipal Initiatives: Regional Networks

Regional networks have grown up to serve as catalysts for and supporters of local change to improve environmental quality. Those presented were: the Metropolitan Environmental Improvement Program (a World Bank and United Nations Development Program undertaking in Asia); the MEDCITIES Network, which groups more than 20 Mediterranean cities; the Baltic Sustainable Cities Network, which brings together 32 Baltic Sea cities; and the Urban Management Programme, a technical assistance program organized by the World Bank, UNCHS (Habitat), and UNDP. The networks have tackled governance issues, and have successfully linked with NGOs as partners, clients and beneficiaries.

Land Resources: Differing perspectives on the Shape of Future Cities

Discussion highlighted the now widely accepted shortcomings of land use regulations and growth control tools for the sustainability and efficiency of cities. Several speakers challenged the premise that denser cities are less efficient and less sustainable. Examples from the developed and developing world illustrated positive and negative impacts of land use controls. □

Water that can make you sick.

Development Agenda

Date	Event	Sponsor	Location	Telephone
SEPTEMBER				
26-30	Regional Conference on the Integration of Women in the Economic and Social Development of Latin America and the Caribbean	United Nations	Mar del Plata, Argentina	(54)51-814063
29-30	Bretton Woods Conference	World Bank/International Monetary Fund	Madrid	(202)473-1784*
OCTOBER				
1	Group of 24	World Bank/IMF	Madrid	(202)-473-1784*
2	Interim Committee	IMF	Madrid	(202)473-1784*
3	Development Committee	World Bank, IMF	Madrid	(202)473-1784*
4-6	Annual Meetings of the Board of Governors	World Bank	Madrid	(202)473-1784*
24-26	International Conference on Environmental Issues in Minerals and Energy Industry	Mining Engineers' Association of India	New Delhi	(91) 674 51224
24-27	Second International Conference on Carbon Dioxide Removal	Research Institute of Innovative Technology for the Earth	Kyoto, Japan	(81)6 376 2963
24-28	Annual Meeting: Consultative Group on International Agricultural Research (CGIAR)	World Bank	Washington	(202)473-8913*
NOVEMBER				
6-11	Third International Congress on Energy, Environment and Technological Innovation	Central University of Venezuela/ University of Rome "La Sapienza"	Caracas, Venezuela	(58-2)693-1103
16-23	Fifth African Regional Conference on Women	United Nations	Dakar, Senegal	(251)1-51-1263

Editor's Note: *Development Agenda* is a feature that alerts journalists to key news events in the field of economic development. Journalists should contact sponsoring agencies for details about each event. Asterisk (*) indicates telephone number is in the U.S.A. All other telephone numbers include country and city codes.

INDONESIA Indonesia plans to greatly the boost its land titling and registration system with help from an $80 million World Bank loan. Land administration is an important part of economic development, allowing fair transactions, access to credit and reducing social conflict over land ownership. At the current slow pace, it would take 90 years just to register existing parcels, and new parcels are increasing by 1 million a year. The project will oversee systematic registration of properties and provide training for titling and land-management agencies.

LATVIA Two Bank loans totaling about $35 million to Latvia will help the government build on reforms in the enterprise and financial sectors. The project will back a credit program for newly privatized and other private enterprises. An institutional development component will strengthen the Latvian Privatization Agency. And the banking sector will get help preparing for its future, enhanced role in domestic intermediation.

TURKMENISTAN A broad-based technical assistance project, backed by a $25 million Bank loan, will help Turkmenistan carry out reforms and improvements in several sectors by strengthening the policy-making and management capacity of important agencies. Under the project, the government will: continue its privatization program and restructuring of public enterprises; modernize parts of the financial system; carry out social surveys and develop a new pension system; and improve administration of joint energy ventures.

Middle East Economic Seminar

The economic challenges facing the Middle East and North Africa is the topic for researchers, corporations and policy makers gathering at World Bank headquarters in Washington, D.C., for a two-day seminar on the region.

Sessions at the conference, sponsored by the Bank's Middle East and North Africa Region (MENA) in cooperation with the Center for Strategic and International Studies and occurring September 22 and 23, range from economic growth to social investment to a panel discussion on the MENA countries and the World Bank. Speakers and panelists from the Bank include Managing Director Attila Karaosmanoglu, MENA Vice President Caio Koch-Weser and MENA Chief Economist John Page.

Sessions include:

"The Middle East and North Africa Today - The Economic Challenge," with presentations on restoring sustained growth in the region and the challenges for economic management.

"The Middle East and North Africa Tomorrow - Building the Private Sector," with presentations on private sector development and the legal framework needed.

For more information, contact Jeannie Yamine, The World Bank, 1818 H St., N.W. Washington, D.C. 20433, Tel. (202) 473-2318.□

"We Must Change Course"

ESD, *from page 2*

physical world. Yet the evidence presented at Rio was compelling--that we must change course. If we do not change voluntarily, change will be forced upon us dramatically. We must break the inertia that propels us along the pathway to an unsustainable future even while we are talking of change."

The World Bank, Strong said, is a central actor in that process. "I am greatly encouraged at the new leadership it is providing in respect to sustainable development through launching, in cooperation with UNDP and UNEP, the Global Environment Facility. New leadership, new insights and a new sense of priority must be accorded to ensure sustainability of urban areas. This is the new World Bank."□

WORLD BANK NEWS

Michael Prest, Editor
Cynthia Delgadillo, Production Assistant
Steve Hendrix, Reporter

World Bank News is published in English, French and German by the World Bank's External Affairs Department, Washington, D.C. 20433, U.S.A. Maps appearing in World Bank News are for the convenience of readers. The denominations used and the boundaries shown do not imply any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries. (ISSN 0254 6353) Telephone: (202) 473-9661.

The World Bank Group is the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). IBRD is the main lending arm of the World Bank. IDA is the World Bank affiliate that lends on concessional terms to the poorest countries. IFC finances private sector projects and advises businesses and governments on investment issues. MIGA promotes foreign direct investment through guarantees, policy advice, and promotional services.